CONFIDENTIAL

MALAYSIA

REVISED REPORT

OF THE

ROYAL SALARIES COMMISSION

1975

Volume I

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P R E F A C E

We were appointed a Commission by the Government of Malaysia effective from 1st January, 1975, vide Gazette Notification No. P.U.(B) 191. We completed our task as required of us by our terms of reference published as Gazette Notification No. P.U.(B) 191 dated 22nd May, 1975, on 31st May, 19755 and submitted our Report to Government on 6th June, 1975.

After the Government had studied the Report, it found it not possible to implement it in view of the deterioration of its finances. In view of this, we were asked under clause IV of our terms of reference to re-examine the recommendations contained in the Report in the light of the financial crisis that had arisen. The Chief Secretary to the Government conveyed this decision of Government, vide his letter Ref: PM. Rahsia 11880/A/9/13 dated 15th July 1975, which is reproduced below for ease of reference:

> " Saya adalah diarah merujuk kepada surat Tan Sri bil. SGR/R/43/17/Jld. II bertarikh 9hb Jun 1975 mengemukakan naskah-naskah Lapuran Suruhanjaya Gaji Diraja Ibrahim 1975.
>
> 2. Kerajaan telah meneliti sedalam-dalamnya perakuan-perakuan yang di kemukakan di dalam Lapuran Suruhanjaya dan memeriksa dan mengkaji segala implikasi yang terlibat untuk membolihkan satu keputusan diambil bagi penerimaan dan penglaksanaannya. Meskipun Kerajaan ingin melihat perubahan-perubahan yang bertujuan memperbaiki tanggagaji dan syarat perkhidmatan pekerja-pekerja Perkhidmatan Awam seluruhannya, Kerajaan

perlu juga menimbangkan tambahan bebanan perbelanjaan untuk menanggung perbelanjaan gaji pekerja-pekerja dengan kadar yang tinggi. Dengan mengambil perhatian kepada tanggungan kewangan Kerajaan untuk menunaikan tanggungjawab dan kewajipannya kepada rakyat dan pembangunan negara keseluruhannya; dan juga kepada implikasi-implikasi kewangan, ekonomi, sosial, keselamatan negara dan politik yang akan timbul sekiranya perakuan-perakuan dalam Lapuran Suruhanjaya yang ada sekarang dilaksanakan dengan sepenuhnya, adalah didapati bahawa perakuan-perakuan yang dikemukakan oleh Suruhanjaya itu tidak dapat diterima sepenuhnya untuk dilaksanakan.

3. Setelah memberi pertimbangan yang sehalus-halusnya Kerajaan telah memutuskan untuk merujukkan semula Lapuran yang telah dikemukakan oleh Suruhanjaya itu untuk dipertimbangkan semula. Ketua Setiausaha Perbendaharaan telah diarah supaya menghadiri satu persidangan Suruhanjaya untuk memberi taklimat kepada Ahli-ahli Suruhanjaya mengenai kedudukan kewangan yang merunsingkan yang dihadapi oleh negara pada ketika ini. Adalah harapan Kerajaan Suruhanjaya, selepas memberi perhatian kepada ekonomi negara yang dijelaskan dalam taklimat Ketua Setiausaha Perbendaharaan itu kelak dan kepada tanggungjawab Kerajaan melaksanakan Dasar Ekonomi Baru yang bertujuan menghapuskan kemiskinan serta menyusun semula masyarakat, akan dapat menyemak semula perakuan-perakuannya dan mengemukakan perakuan-perakuan yang baru yang difikirkan sesuai dengan kebolihan dan kemampuan Kerajaan dalam keadaan sekarang."

We have now re-examined the Report and have made certain modifications so as to reduce the total cost of implementation. We, accordingly, submit this Revised Report for the consideration of Government.

Dated this 12th August, 1975.

(TAN SRI DATUK HAJI IBRAHIM BIN ALI)
Chairman

(DATUK ~~YEAP~~ KEE AIK)
Member

(JAFFAR BIN HUSSEIN)
Member

(K. SOMASUNDRAM)
Member

(P.C. RATCHAGA)
Secretary

Suruhanjaya Gaji Di Raja,
Bangunan M.A.B.A.,
Jalan Davidson,
Kuala Lumpur.

C H A P T E R I

GENERAL PRINCIPLES

1.1 The first Royal Commission to review salaries in the Public Services was established in 1964 under the Chairmanship of Justice Tan Sri M. Suffian. Subsequently, another Royal Commission was established under the Chairmanship of Justice Tan Sri Aziz to review the salaries of employees in the Education Service. Committees were also set up to review the salaries of the members of the Armed Forces and Judges under the Chairmanship of Tan Sri Sheikh Abdullah and Tun Abdul Aziz, respectively. The last of the Royal Commissions to be appointed was that for reviewing the emoluments of workers in the Statutory Bodies and Local Authorities in 1971 under the Chairmanship of Mr. Justice Harun Hashim.

1.2. A careful examination of all the Reports submitted by the Commissions and Committees shows that all used principles which are somewhat different from each other, in determining the salary scales they have recommended. This explains in part as to why the scales recommended by them also differ, albeit generally only marginally, even for groups of employees doing more or less the same kind of work. A knowledge of the principles they have used is therefore essential to understand the differences in the salary scales as they exist today and also to achieve any measure of success in co-ordinating them, which is one of the principal functions of this Commission. A brief summary of these principles is therefore given in paragraphs that follow, for ease of reference.

...2/-

SUFFIAN COMMISSION ON CIVIL SERVANTS

1.3 The principles enunciated in the Suffian Report may be summarised briefly as follows:

(i) Salaries in the public service should be determined for the job and not for the job-holders;

(ii) Government salaries should be consistent;

(iii) There should be equal pay for equal work;

(iv) Women should get the same pay as men for doing the same work if they accept the same conditions of service such as working at night and so on;

(v) Government salaries should be fair;

(vi) Government servants should be paid the rate for the job, based on fair comparison with the private sector;

(vii) Academic qualifications should be an important factor but it should not be accorded the importance it once had in the past;

(viii) Salaries should be related to the duties and responsibilities of the post, so that the greater the skills required in the performance of such duties and the more onerous its responsibilities, the bigger should be the pay;

...3/-

(ix) The length of an officer's salary scale should depend on whether his value to Government will or will not be enhanced by increased length of service;

(x) Salaries should not in principle be related to the cost of living and officers should be required to provide their own housing;

(xi) Salaries should be in the form of a clean wage and no allowances should be paid over and above it; and

(xii) Salaries should be sufficient to induce quality staff to enter and, having entered, to remain in the public service.

TUN AZIZ COMMITTEE ON JUDGES

1.4 According to the Tun Aziz Report, the basic principle that should be followed in determing salaries and conditions of service of Judges is the principle of fair comparison, not with Judges in other countries nor with members of the Bar, but with the civil servants in Malaysia. Judges are more akin to the civil servants and their salaries should be so structured as to be related to the salaries and terms and conditions of service of the civil servants. This has been the relationship in the past and has been asserted by the Judges themselves. There does not, therefore, appear to be any valid reason for a departure from this principle.

...4/-

AZIZ COMMISSION ON TEACHERS

1.5 The Aziz Commission, whose terms of reference required it to take note of the Suffian Report, enunciated principles which are fairly close to those of the Suffian Commission, but with special emphasis on educational and professional qualifications. A brief summary of the principles it enunciated is as follows:

(i) Equal pay should be paid to men and women teachers;

(ii) Salaries should be determined according to academic qualification and professional training and the period taken in obtaining such qualifications and training;

(iii) Salaries should reflect the types of duties and responsibilities to be performed; and

(iv) There should be a proper relationship with salaries paid for other Government jobs.

SHEIKH ABDULLAH COMMITTEE ON THE ARMED FORCES

1.6 The Sheikh Abdullah Committee framed its Report based on the following principles:

(i) Salaries should take the form of clean wage but housing should be provided in addition;

(ii) Salaries should be determined based on duties and responsibilities;

(iii) The salaries paid should be fair; and

(iv) The salaries paid should take into account the type of life that has to be led by Armed Forces personnel.

...5/-

HARUN COMMISSION ON STATUTORY AND LOCAL AUTHORITIES

1.7 The Harun Commission which was the last of the Commissions and whose terms of reference also specifically required it to take note of the Suffian Report, had the responsibility, for the first time, of co-ordinating remuneration and conditions of service as between the Government service and that of the Statutory and Local Authorities. The principles it enunciated in fulfilling this task may be summarised as follows:

(i) Salaries should be determined on the basis of rate for the job based on fair comparison;

(ii) Salaries should be related to the duties and responsibilities of the job but qualification requirements of the job should also be taken into account;

(iii) Salaries should take the form of clean wages;

(iv) There should be standard salaries for Peninsular Malaysia, Sabah and Sarawak;

(v) Salaries for public servants should not be linked with salaries of Ministers and other political appointees;

(vi) All things being equal, salaries in the Government service, Statutory Bodies and Local Authorities should be the same;

(vii) No employee should be paid a salary which is the same or higher than that paid to the Chief Secretary to the Federal Government, who is the Head of the Civil Service; and

...6/-

(viii) Salaries should be based on that paid to employees living and working in Kuala Lumpur.

SYNTHESIS

1.8 It will be seen that all the principles used by the previous Commissions and Committees as summarised in the previous paragraphs in fact basically mean the same thing except that different principles appear to have received different emphasis by the various Commissions and Committees. All these principles can therefore be synthesised under five major headings as set out below:

(i) Rate for the Job: Employees should be paid for the job, i.e. wages should be related to the duties and responsibilities of the job so that the more skilled its duties and the more onerous its responsibilities, the bigger should be the wage;

(ii) Fair Comparison: In the determination of the terms and conditions of employment in the public services, cognizance should be taken of similar factors in the private sector, bearing in mind the need to ensure an adequate flow of qualified recruits to join and remain in the public services;

(iii) Qualifications and Training: The initial wage should be related to the minimum entry qualifications required for the job and the training and examinations which have to be passed before and after joining the service;

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(iv) Economic Forces: Wages paid in the public sector should take cognizance of the major economic forces in operation in the economy of the country, particularly those which affect real wages having regard to the current purchasing power of money, so as to ensure that the rate payable for a job and the fair comparison relativities do not get unduly distorted as a result of these forces; and

(v) Clean Wages: Salaries should be in the form of clean wages for all categories of employees and no extra remuneration over and above the clean wage should be paid except when they are meant to be temporary, e.g. relief allowances, or when they cannot, for specified reasons, be incorporated into the clean wages of all the employees in a given category, e.g. dhobi allowances which are paid only to those employees who are required to be in uniforms in any given category of employment.

1.9 As far as was practicable and possible, endeavour has been made to use these five major principles in determining all the clean-wage scales required for use in the public sector and the horizontal and vertical relativities that should exist between them. These principles are fairly exhaustive and adequate to undertake the task of reviewing and co-ordinating all the existing remunerations and conditions of service in the public sector, as required. These principles have also been used

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to determine the allowances and other perquisites, since all remunerations accruing to an employee by virtue of his employment should be governed by the same principles.

1.10 Following the definition of the word "salary" given in paragraph 1.8(v) above, the term "clean wage" or "wage" has been used throughout this Report to describe scales or steps on the scales as the case may be. The word "salary" is used in areas where it cannot be avoided, or as a general term to include wages and other income such as allowances and overtime payments.

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C H A P T E R II

ECONOMIC AND SOCIAL FACTORS

2.1 The first of the Salaries Commissions mentioned in the previous Chapter was established in 1964. It then carried out its task over a period of three years and completed its work in 1967. Thus, the background economic conditions that it took into account related to the mid-1960's. The general economic conditions then prevailing were characterised by price stability of a high order. Indeed, in the decade previously, retail prices had increased on the average only by about 1% per annum. Few countries in the world were this fortunate. Along with this, steady economic growth was being experienced by the country averaging 6% per annum. In per capita terms the growth was 2.3%. Thus, in Peninsular Malaysia per capita income had increased from $814.3 in 1960 to $954 in 1967.

SUFFIAN APPROACH

2.2 The approach adopted by the Suffian Commission was to consider the earnings of the lowest category of workers in the private sector and to use this as a yardstick to fix the appropriate level of wages for the lowest group of Government employees. The Commission then proceeded to establish relativities between different grades within the government services. Thus, while adopting the principle of fair comparison between the lowest-paid categories in the private and public sectors, the Commission does not seem to have made use of this principle in determining wages for the higher-level grades. It would appear, therefore, that the Commission's recommendations only involved a consolidation of the Cost of Living and Housing

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Allowances, which had been a feature of the pre-Suffian system, into the basic salary scales. This consolidation of the basic salary with these allowances resulted in the determination of the new take-home pay designated as the "Clean Wage".

2.3 By and large, the lower grades and the higher grades received modest increases in earnings. However, the majority of the groups in the middle range did not get increases and, indeed in some cases, the levels fixed by the Suffian Commission were lower than the previous rates. This is confirmed by the offer of personal-to-holder scales to a large body of public servants in the middle level. In any case, since the Commission had recommended a method of conversion in which conversion from a step on the old basic scale was to an equivalent or the next higher step on the new clean wage scale, the average increase in wages, has been estimated to amount to about 5% per employee.

AZIZ-HARUN APPROACH

2.4 The Commissions that followed used the Suffian framework as a launching point. The basic structure adopted by the Suffian Commission was used with minor modifications by the Aziz and the Harun Commissions and the Sheikh Abdullah and Tun Aziz Committees. The Harun Commission, by its terms of reference could not take into account the inflationary situation that developed during the period it was sitting. It, therefore, accepted the implied relativities established by the Suffian Commission. Since it also recommended the same conversion principles used by the Suffian Commission, the average increase in wages can again be taken to be around 5% per employee.

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ECONOMIC DEVELOPMENTS SINCE 1967

2.5 The period since 1967 has seen rapid economic development. It has also been a period when the consumer price-level increased rapidly in Malaysia, particularly between 1972 and 1974, since the world-wide inflationary trends of the early 1970's did not spare Malaysia. The period under review also saw the formulation and enunciation of the New Economic Policy with its two prongs, viz. the eradication of poverty and the reduction of ethnic imbalance through a re-structuring of society. Under this policy, the Government has taken a more dynamic and direct role in development, which has, in turn, accelerated industrial growth.

Price Developments

2.6 The Department of Statistics, Malaysia, computes and publishes Consumer Price Indices every month for Peninsular Malaysia, Sabah and Sarawak. This follows the current general and international practice whereby only one consumer price index is calculated and published in most countries. There are, of course, exceptions to this. In India, for instance, separate regional indices are computed as the vast regional differences make one index somewhat questionable. At the same time, a separate index is computed for urban factory workers. In the Malaysian context, between 1959 and 1966, separate indices were computed for the three major ethnic groups reflecting the consumer baskets for households with an income of less than $300 per month. These indices while reflecting the different consumption patterns of the three communities, showed little or no deviation from the overall index.

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In 1971, when the present weights were established for the reference year 1967, these factors were taken into account and it was decided in the Consumer Prices Committee, which was made up of Government officials, private sector representatives and university academics, that in the Malaysian context a single index was sufficient.

2.7 It may perhaps be argued that the Consumer Price Index does not take into account the concepts of cost of living and standard of living. In this context it should be explained that the cost of living concept is not taken into account in a consumer price index as changes in the cost of living are a compound of two elements, viz. changes in prices and changes in the levels of living. The latter represents quality and quantity changes, which are difficult if at all possible, to compute for incorporation into a single index. The Consumer Price Index is, therefore, concerned only with price changes of a fixed basket of goods and services, as consumed by an average household. The standard of living of a community, on the other hand, is influenced by not only the direct consumption of the households in question but also by external factors which do not bear directly on the household, such as the amenities and facilities provided by Governments. At the same time, the standard of living of an individual alters as his income changes. The standard of living concept is, therefore, broad and difficult to quantify in an index as it requires certain value judgements to be made. The CPI which measures changes in the prices of goods and services of a fixed basket from a base year, is the most appropriate measure for purposes of quantifying

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the effects of inflation in real wages, i.e. for evaluating the changes that take place in the purchasing power of money under inflationary conditions. The CPI has therefore been used to evaluate the inflationary trends in the Malaysian economy.

2.8 An examination of the trends in the Consumer Price Index along with the sub-index for food will show that the purchasing power of money has declined fairly considerably between the years 1967 to 1974. This erosion in the purchasing power of money has made the wage-earner less better off than he was before, since it has led to a serious loss in his real income.

2.9 It may be argued that inflation has affected all wage-earners in the economy and that the public sector employees have not been the only group affected. This argument while valid to some extent, does not completely reflect the true position. The employees in the public sector have had some minor adjustments, viz. an 8% increase through the bonus scheme, and the lower-paid groups have had an increase in earnings through the Special Relief Allowance introduced in October, 1973, which approximated to an average increase of income of about 6%. Thus, while the lower grades of employees have had an adjustment to their incomes by about 14%, the employees in the middle and upper levels have had an adjustment of only about 8%. Given the inflation rates, which have been examined,it is clear that even the lower grade employees have not been compensated adequately to off-set the loss in their real incomes. The position of the middle and upper groups has been adjusted even less. Since import prices appear to have increased

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by even a higher percentage, the middle and higher income groups in the public sector have suffered an even greater erosion of their income as the proportion of imports in their pattern of consumption is greater.

Adjustments in the Private Sector

2.10 While no overall index of average earnings or wage data are available for the private sector as a whole, indices of average earnings for two major sectors, viz. the manufacturing sector and rubber industry have been recently compiled by the Department of Statistics, covering about 187,000 workers in the manufacturing industry and about 156,000 workers in the rubber industry.

2.11 Reviewing trends in these two major sectors, which, between them, provide employment for over 340,000 workers, it is clear that substantial increases in average earnings have taken place between mid-1972 and mid-1974. Against this, average earnings in the public sector appear to have risen only modestly. These adjustments have to some extent, therefore, disturbed the relativities that had been established by the Suffian Commission when it reported in 1967.

2.12 Petty traders, farmers and other self-employed persons too appear to have benefited from the boom conditions to some extent. The increase in prices charged by hawkers and other petty traders had enabled them to maintain their real earnings in most cases. Padi farmers were able to benefit from the increase in the minimum price of the commodity from $16 to $26 in 1974. Rubber smallholders enjoyed favourable prices during 1973 and part of 1974 although they seem to have been adversely affected in recent months by the fall in rubber prices.

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Economic Growth

2.13 According to the statistics relating to the growth in Gross National Product in constant prices over the period 1970 to 1974, which have been prepared by the Statistics Department, the increase in GNP in constant prices during this period has been averaging approximately 8% per annum. Even in the 1960's the increase appears to have been of the order of 6% per annum. The per capita income appears to have increased at the average rate of 5% per annum. At the same time, the labour productivity increases in the Malaysian economy have been estimated by the Economic Planning Unit to have been in the range of 4% per annum. Even assuming that productivity in the public sector was growing at half the rate of the national growth, there has been a cumulative increase of almost 15% over the period 1967 - 1974, i.e. a period of 7 years.

COMPARATIVE RELATIVITIES

2.14 A number of difficulties arise in the application of the principle of fair comparison in the determination of public sector wage levels. In a number of instances it would be difficult to fully evaluate and assess the nature of functions and responsibilities of similarly-graded workers in the public and private sectors. For instance, does a finance clerk have the same responsibilities and functions as a bank clerk? Clearly, without a detailed job by job appraisal it would be difficult to establish a relationship. No attempt has been made to do this, as neither the resources nor the time available permit this approach. A further difficulty arises from the fact that qualifications demanded in the two sectors differ for

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similar job functions. There is also the added complication that there exists a wide variety of pay scales in the private sector for a job of similar functions between industries and between firms. The application of the principle of fair comparison can, therefore, be only undertaken in the broadest terms and for a few specific grades.

2.15 A review was undertaken of wages and perquisites obtaining in the private sector and data were collected pertaining to wages and perquisites paid by a total of 57 firms in the country. These firms were selected for their representative nature and the selection covered different sectors of the economy ranging from manufacturing to the service industries. As a result of this review it was found that by and large, private industry pays its employees well in relation to their responsibilities and functions. This was particularly true in the case of top management staff, who in addition to being paid well, were in receipt of a wide range of fringe benefits, which were not available in the public sector. A complete parity would therefore be impossible and at the same time difficult to justify, given the different nature and conditions of their employment, nevertheless the wide disparities in remuneration and fringe benefits that exist need at least to be reduced without aiming for a complete elimination.

2.16 In this connection, data relating to the recruitment of employees into the public service and their continuity of employment thereafter were also examined. In some services, the number of unfilled posts is fairly considerable and this must affect adversely the efficiency of the service. Given the disparities between salary-

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levels and other conditions of employment in the public and private sectors, this position in all probability might continue for a time. Raising the salary-levels of the public sector in isolation would not necessarily correct the situation but it might improve the recruitment position and the retention of employees in the service. With the increasing output of graduates and their availability for appointment, there should be further improvement in all respects.

2.17 It has been observed that there has been a multiplicity of authorities created by the Federal Government in recent years to facilitate development activity in the public sector. A justification for this perhaps is that these institutions should have the flexibility of the private sector in their day-to-day operations. To this end, salaries of Chief Executives of these institutions have been fixed at fairly high levels compared with salaries of their counterparts in the Government service.

INTERNATIONAL EXPERIENCE

2.18 A review of the present wages paid in the public sector can only be done by taking into account the present inflationary position that prevails both in Malaysia and the rest of the world. In order to undertake this review in a sensible and satisfactory way, a brief survey was carried out to see how the problem was being tackled by other countries. The principles used by some of these countries in granting salary revisions in the public sector is discussed in the paragraphs that follow.

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Canada

2.19 The consumer price index is the main factor used in making adjustments of salaries. Another main factor is the relative adjustments made in the private sector. The frequency of revision is dependent upon the previous contract between the union and its employer as more than 90% of the Canadian public servants are unionised. The adjustment of salaries is made in addition to the normal increase in salary based on experience. Total average percentage increase for all categories of public servants for 1970, 1971, 1972 and 1973 were 6.4, 5.8, 5.6 and 6.2% respectively.

United States

2.20 In the United States salaries for Government employees are adjusted according to changes in the consumer price index. During the years 1969 to 1973 except 1970 adjustments have been made at least once a year and for the years 1969 and 1973 there were two adjustments made each year. Thus in July and December, 1969, salaries of public servants were increased by 7% and 6% respectively; in January 1971, 6%; in January 1972, 5.5%; and in January and October 1973, 5.1% and 5.5% respectively. No figures are immediately available for 1974.

Netherlands

2.21 Salaries are adjusted in accordance with changes in consumer prices and revisions are made as soon as any marked changes in these occur. Seven revisions of the salaries of civil servants took place between 1.1.1970 and 1.8.1973 and increases of 28.4% to 61.4% were made. Salaries in the public sector normally correspond closely to those in the private sector.

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Denmark

2.22 Salary structures are calculated and revised based on the official price index from time to time. Salaries, in fact, are regulated automatically twice a year according to changes in the official price index.

Iran

2.23 Since 1966, there has been only one general adjustment in the salaries of the Iranian Government employees. The adjustment was linked to increases in the level of consumer prices over a period of years.

Korea

2.24 The general adjustment of salaries is linked with changes in consumer price index plus salaries paid by private firms. There is no explicit agreement as such, but it is an accepted practice or understanding that general revisions would be made annually.

Switzerland

2.25 The Swiss Government makes yearly automatic adjustments to the basic salary to compensate for the rising cost of living. Between 1969 and 1973, an increase of about 30% was made.

Belgium

2.26 Salaries are automatically adjusted in accordance with the consumer price index whenever this index rises by 2½% and is maintained at this level for a minimum period of 2 months. If the index thereafter went down by 2½% and remained at that level for 2 months, salaries are to be proportionately reduced. However, there has never been an occasion for such reductions to take place.

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Hongkong

2.27 In this British Colony there is no explicit agreement that there will be salary adjustments if there are changes in price levels, but the Government does make regular studies of the increase in the consumer price index and submit its findings accordingly.

Philippines

2.28 No explicit agreement exists between the Government and its employees to review salaries in relation to changes in the consumer price index. Adjustments, however, are pressured by consumer price index increases. In June 1972, a general increase of 25% across the board in salaries of Government employees was approved.

France

2.29 There is provision for a regular review of civil service salaries in the light of movements in the consumer price index. In fact, any increase of about 4% in the overall price index would automatically be reflected in a corresponding increase in the basic salaries paid.

GENERAL CONCLUSIONS

2.30 It will be seen from the analysis made in this chapter that there is a case for immediate adjustments to be made to the salaries obtaining in the public sector of Malaysia, to take into account the inflation and economic growth that have taken place since the Suffian Report was written. Unfortunately, however, the financial position of the Government has become so serious that it has not been possible to give these factors adequate cognisance in this Report. It has therefore only been possible to reduce anomalies as far as was possible, and to bring about a harmonization of remuneration between employees in different sections of the public sector.

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C H A P T E R III

WAGE STRUCTURE AND SCALES

3.1. An examination of the wage structure and scales as they exist at present would show that there is no consistent pattern or any kind of coherence either in the wage structure or in the clean wage scales. As a result, it is not possible to say at a glance as to what class of employees a particular clean wage scale belongs or as to how it fits in with the other scales. Differentiations appear to have been made at the minimum and maximum of clean wage scales amounting to, at times, as little as $10.00 for which there does not appear to be any justifiable reasons. The only explanation for this kind of minor differentiations appears to be that they have been made for the sake of making differentiations and for no other reason at all. Similarly, different rates of incremental credits have been provided for different types of employees, all of whom fall within the same range of wages, for which again there do not appear to be any valid reasons.

3.2 As a consequence of this, despite the fact that all the recent Commissions and Committees have attempted to reduce the total number of scales, there are still in existence more than 1,000 separate clean wage scales for a total of about 500,000 public employees, i.e. about 500 employees per scale. When there are as many as this number of scales, the relativities that are supposed to exist between them are bound to become blurred and distorted thus giving rise to numerous anomalies and inequities. It would therefore appear that most of the existing grievances and representations among staff associations and trade unions are the result of this unsatisfactory state of affairs.

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3.3 An examination of the existing wage structure, will also show that there is no consistency in the provision of special grades and superscales. Some schemes were not provided with any special grades or superscales at all. Some categories of employees, for instance, were classified simply into three grades known as Officers, Higher Officers and Senior Officers, while other categories of employees who were related to them had been provided with special grades or with special grades and superscales. This inconsistency in the treatment of different but related categories of employees, who often possessed similar qualifications, was also a source of serious discontentment and frustration among the employees concerned.

3.4 In some instances the superscales took the form of fixed wages, particularly where superscales for employees in the Managerial and Professional Group were concerned. In these cases, unless an officer was promoted to a higher grade, he could not expect any further increase in his wage. Since, on the average, an employee has to remain on a given superscale post for about four or five years, the employee concerned generally begins to feel the effects of the stagnation after about the first two or three years, and thereafter begins to become increasingly restless and concerned about his next promotion. In some other instances, the superscales took the form of a wage band, where a superscale had about three fixed wage points and an employee on the band could move from one point to the next after a period of say two years based on the performance of the employee concerned. While this system appeared to be better than the system which provided only for a single

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fixed wage for superscale posts, there still did not appear to be any valid reason why the different wage points on a scale should be banded instead of being strung together into an incremental scale, like all the other scales. This again resulted in an unnecessary discrimination in the treatment of the employees concerned.

PROPOSED WAGE STRUCTURE

3.5 From the foregoing brief analysis, it was obvious that the best and simplest way of co-ordinating all the various existing scales was to devise a formula which will enable the creation of clean wage scales for broadly-categorised similar employees, on a set pattern of incremental credits, with definite horizontal and vertical relativities. As a result, a formula was devised which, it is hoped, would solve the entire problem of co-ordination, despite the fact that there are at present a multiplicity of clean wage scales, all of which are practically standing on their own, without any easily detectable relationship with each other. How such co-ordination has been achieved is explained in the sub-sections that follow.

Incremental Pattern

3.6 In order to work out a simple formula from which all the clean wage scales that would be needed for use in the public sector could be derived with definite horizontal and vertical relativities, three basic decisions were taken as follows:

(i) The incremental credits to be used should range from $5.00 to $250 per annum, viz. $5, $15, $30, $50, $75, $100, $200 and $250.

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These rates were all based on the rates used by previous Commissions and Committees, which ranged from $5.00 for the lowest categories of employees to $500 which was the difference between superscales at the highest level of employment in the public sector. The rates chosen were, therefore, well within this range;

(ii) Each of the incremental rates from $5 to $150 should determine nine steps each, the rate of $200 six steps and the rate of $250 three steps. The figure of nine or multiples of it were chosen as it was intended to give three points for every academic year an employee had spent in acquiring his qualification, and the figure nine and its multiples were also multiples of three. They were also chosen in a manner as to ensure that they were neither too big nor too small for use in incremental scales, which were usually about 18 steps in length; and

(iii) The initial wage payable in the public sector should be $150 per month, bearing in mind that in each case the most important factor is the ability of the employer to bear the financial burden that arises in connection with his wage bill.

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3.7 The incremental pattern and the wage ranges that emerged as a result of the application of the three basic decisions made in the previous paragraph are set out in Table 1 as it would provide a convenient means of reference.

General Clean Wage Scale

3.8 Based on this pattern of incremental credits, a single General Clean Wage Scale was drawn up to be used as the basic or underlying scale, from which all the required wage scales for use in the entire public sector could be derived. The General Clean Wage Scale that was thus drawn up has a total of 72 steps as follows:

$150x5-190x15-325x30-595x50-1045x75-1720

x100-2620x150-3970x200-5170x250-5920

Classification of Employees

3.9 In order to derive all the necessary scales from this General Scale, an examination was made of the existing schemes of service to see what were the most commonly required entry qualifications, to enable classification to be made of all public employees into as few broad categories as possible. As a result of this examination, it was found that the most commonly required entry qualifications were a complete primary education, the Lower Certificate of Education, the School Certificate, the Higher School Certificate or a Diploma and the Pass Degree or an Honours Degree. From this finding it was decided to classify all employees into five broad categories for use as a basis of wage determination to be known as the Primary Education and/or Skills (PS) Group, the Lower Certificate of Education (LC) Group, the School Certificate (SC) Group, the Higher School Certificate and Diploma (HD) Group and

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TABLE 1 : INCREMENTAL CREDITS PATTERN

Incremental Credits	Number of Wage Points	Clean Wage Range
$ 5 per year	9	$150 to $190
$15 " "	9	$205 to $325
$30 " "	9	$355 to $595
$50 " "	9	$645 to $1,045
$75 " "	9	$1,120 to $1,720
$100 " "	9	$1,820 to $2,620
$150 " "	9	$2,770 to $3,970
$200 " "	6	$4,170 to $5,170
$250 " "	3	$5,420 to $5,920

the Degrees and Further (Higher) qualification (DF) Group. The word "Further" was used in the last mentioned group in order to arrive at the initials "DF". If the word "Higher", had been used it would have been a more appropriate description, but it would have produced the initials "DH" which could be easily confused with the initials of the earlier group "HD". So it was decided to avoid any such confusion, because the initials play an important role in the classification of the different clean wage scales that will have to be drawn up.

Formula for Scales Construction

3.10 Having thus decided on the categories of employees that were in existence based on the most common entry requirements into the public service, a very simple formula was devised whereby all the clean wage scales required could be derived to cover every scheme and post in existence in the public sector. The formula thus devised may be best illustrated by way of a table as set out in Table 2.

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3.11 It will be seen from this Table that the formula provides for the creation of five Key (K) timescales, i.e. one for each of the five Groups to represent Primary Education, LCE, SC, Diploma and the Honours Degree employees and two Minor Key (MK) timescales to represent HSC and Pass Degree employees in the HD and DF Groups respectively. As stated earlier, each academic year would represent three points and on this basis:

(a) The LC(K) timescale will start on a step nine points higher than the initial step of the PS(K) timescale, which is the trigger point, since three academic years separate Primary Education and the LCE;

(b) The SC(K) timescale will start on a step six points higher than the first step of the LC(K) timescale, since two academic years separate the LCE and the SC;

(c) The HD(K) timescale will start on a step nine points above the first step of the SC(K) timescale, since on the average three academic years separate the Diploma from the SC;

(d) The DF(K) timescale will start on a step nine points above the first step of the HD(K) timescale, since on the average three academic years separate an Honours degree from a Diploma; and

(e) The MK scales will start from steps which are three points below their respective K scales, since on the average one academic year separates either a Diploma from the HSC or the Honours degree from the Pass Degree.

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3.12 From each of the timescales mentioned above other timescales known as the K+6, K+3 and K-3 or MK-3 timescales can be derived, depending on the number of points that are available between the various timescales, to represent employees with a slightly lower or higher qualification than those represented by the K and MK scales. On this basis, it will be seen from Table 2 that all the Groups will have a K+3 timescale each, the PS, LC and SC Groups a K-3 scale each, the HD and DF Groups a MK-3 scale each, and the PS Group a K+6 scale.

3.13 It will also be seen from Table 2 that the standard length of the timescales for the SC, HD and DF Groups will have 18 steps each, except for the K-3 or MK-3 scales which will have 15 steps each. The standard length of timescales for the LC Group will be 16 steps each, while its K-3 scale will have 13 steps and the standard length of timescales for the PS Group would be 14 steps each, while its K-3 timescale would have 11 steps. In every Group, each successive timescale would end at a step three points higher than the previous scale and also start at a step three points higher. The exception to this would be the K-3 and MK-3 timescales which, although ending at a step three steps below, will start on the same step as the next higher scale.

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TABLE 2 : SCALES CONSTRUCTION FORMULA

No.	Type of Clean Wage Scales	PS		LC		SC		HD		DF	
		S	P	S	P	S	P	S	P	S	P
1.	K Scales from TP	-	0	-	9	-	15	-	24	-	33
2.	MK Scales from TP	-	-	-	-	-	-	-	21	-	30
3.	Timescale for:										
	(a) (K) scales	1	14	1	16	1	18	1	18	1	18
	(b) (MK) scales	-	-	-	-	-	-	1	18	1	18
	(c) (K+6) scales	1	14	-	-	-	-	-	-	-	-
	(d) (K+3) scales	1	14	1	16	1	18	1	18	1	18
	(e) (K-3) scales	1	11	1	13	1	15	-	-	-	-
	(f) (MK-3) scales	-	-	-	-	-	-	1	15	1	15
4.	Special Grades for all Timescale	1	(3+)5, 4,3,2	1	(3+)4, 3,2	1	(4+)4	1	(4+)4	1	(4+)1, 2,3
5.	Superscales for:										
	(a) (K) scales	1	2	3	2	3	3	3	3	3	3 & 2
	(b) (MK) scales	-	-	-	-	-	-	3	3	3	4 & 3
	(c) (K+6) scales	3	2	-	-	-	-	-	-	-	-
	(d) (K+3) scales	2	2	3	2	3	3	3	3 & 2	3	2
	(e) (K-3) scales	-	-	3	2	3	3	-	-	-	-
	(f) (MK-3) scales	-	-	-	-	-	-	3	3	3	4 & 3
6.	Extra Superscales for:										
	(a) SC(K+3)	-	-	-	-	1	2	-	-	-	-
	(b) HD(MK) and HD (MK-3)	-	-	-	-	-	-	1	3	-	-
	(c) HD(K) and HD(K+3)	-	-	-	-	-	-	2	2	-	-
	(d) DF(K)	-	-	-	-	-	-		-	4	2
	(e) DF(MK)	-	-	-	-	-	-	-	-	2	2
	(f) DF(K+3)	-	-	-	-	-	-	-	-	3	2
	(g) DF(MK-3)	-	-	-	-	-	-	-	-	2	2
7.	Staff Grades for:										
	(a) DF(K)	-	-	-	-	-	-	-	-	3	1
	(b) DF(K+3)	-	-	-	-	-	-	-	-	2	1

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Notes on Table 2:

(i) TP - Trigger Point (150) on General Scale.

(ii) PS - Primary Education and Skills Group.

(iii) LC - Lower Certificate of Education Group.

(iv) SC - School Certificate Group.

(v) HD - Higher School Certificate and Diploma Group.

(vi) DF - Degrees and Further (higher) qualifications Group.

(vii) S - number of scales.

(viii) P - number of steps per scale.

(ix) K - Key

(x) MK - Minor Key

(xi) Figures within brackets indicate number of steps in the special grades that will overlap time-scale steps. Figures outside the brackets indicate the number of higher steps each special grade in the Group concerned will have, starting from the lowest scale.

3.14 It will be seen from Table 2 that taken all together there can be, at any one time, a maximum of five key time-scales, a maximum of 13 derived timescales including two Minor Key timescales, making a possible total of 18 time-scales. These 18 timescales should be adequate, through the use of differential entry points, to cover all the existing schemes and posts in the public sector, with the exception referred to in paragraph 3.19 of this Report.

Special Grades

3.15 Table 2 also provides for the creation of a single special grade for each of the 18 timescales. These special grades should act both as transitional grades between the

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long timescales, which have between 11 and 18 steps each, and the short superscales that will be provided above them and, at the same time, serve as adjustment grades to enable the dovetailing of all the superscales within each group. Since they have to perform the function of transitional grades, they have been made to overlap the timescales based on a given pattern, i.e., where the timescales are longer, the overlapping sections will cover a larger number of points and vice-versa where the time-scales are shorter. Since they also have to act as adjustment grades, the total number of points above the maximum of the relative timescales will vary depending on the length of thesuperscales above them. The number of overlapping points for the different special grades are shown within brackets in Table 2, and the number of points to be provided higher than the maximum of the relevant timescales is shown outside the brackets. Since every timescale will have a special grade, there can be a possible maximum of 18 special grades in all.

Superscales

3.16 It will also be seen from Table 2 that all the Key and derived timescales except PS(K-3), PS(K) and PS(K+3) timescales will have three superscales each. PS(K) will have one superscale and PS(K+3) will have two superscales. The number of steps these superscales will have is also shown in the Table. These steps will follow consecutively, one after the other, starting immediately after the maximum of the relevant special grade, and therefore, unlike the special grades, there will not be any overlapping sections anywhere between them. There will be a total possible maximum of 48 superscales in all.

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Extra Superscales

3.17 In the case of the present Managerial and Professional Group, there were in all seven superscales, i.e. four superscales more than the three superscales already provided for in paragraph 3.16. After a very careful examination, it was found necessary to retain the extra superscales, in order not to impair the efficiency of the existing Government machinery. An extra four superscales have accordingly been provided for the DF(K); an extra three superscales for DF(K+3); an extra two superscales for DF(MK); and an extra two superscales for DF(MK-3) scales. In order to streamline the entire wage structure an extra superscale has also been provided for SC(K+3), HD(MK-3) and HD(MK) scales and an extra two superscales for the HD(K) and HD(K+3) scales. The number of steps these extra superscales will have is shown in Table 2. There will, therefore, be a possible maximum of 19 extra superscales in all.

Staff Grades

3.18 The present Managerial and Professional Group has two Staff Grade Scales and a special scale for the Chief Secretary to the Government. It has been found necessary to retain all these scales except that the special scale should form another Staff Grade, thus making a total of three Staff Grades at this topmost level of the public sector employment. This will make the position neater besides making the public sector wage structure complete. It is therefore recommended that the three new scales at this level should be known henceforth as Staff Grades I, II and III, i.e. Staff Grade I to be used for

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the post of Chief Secretary to the Government and the Staff Grades II and III to correspond with the existing Staff Grades A and B in Government service respectively. It has accordingly been recommended that all the three new Staff Grades should be provided for the DF(K) scales and that two of the new Staff Grades, viz. Staff Grades II and III should be provided for DF(K+3) scale. Staff Grade I only has been provided for the DF(K) scales since it is felt that in accordance with the recommendations of the Harun Commission, nobody in the public sector should receive a wage higher than that of the Chief Secretary to the Government. As the Staff Grades represent the peak of the public sector wage structure, it will be seen from Table 2 that only one step has been recommended for each of them.

Segmented Scale

3.19 At present vacancy bars are used very rarely and even then generally only at the end of a scale. This practice need not be continued any more since in the method used for the construction of clean wage scales, it has been ensured that timescales and clean wage scales used for promotion grades are easily identifiable. However, it has been found necessary to continue the use of vacancy bars in only one instance, and this concerns certain grades of employees in the uniformed services, viz. Constables, Sergeants and Sergeant Majors or Staff Sergeants. In this instance, it has been found necessary, as a transitional measure, to use vacancy bars to enable these three grades of employees to use a single clean wage scale, with vacancy bars inserted to indicate three separate segments

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meant for the use of the three grades respectively. In order to do this, a new code has been used to identify the scale which is so segmented, viz. SC(KU) Timescale, where the letter 'U' stands for the Uniformed Services.

NUMBER OF SCALES

3.20 It will be seen from the foregoing paragraphs that, based on the formula set out in Table 2, there can be a possible total of 114 scales, including all timescales, special grades, superscales and staff grades. But since the special grades also act as adjustment grades to enable the dovetailing of all the superscales within each Group, the actual total number of scales that will be in existence at any one time will be only 72. This is the barest minimum number of wage scales that will be required to cater for all the needs of the public sector. It is strongly recommended that neither should these scales be modified in any way nor should any new scales be created over and above these unless there are compelling reasons for doing so and, even then,it should be ensured that the modification of these scales and the creation of any new scales should conform strictly to the pattern that has been established for the construction of wage scales in this chapter. Any action taken without due regard to this recommendation will result in seriously upsetting relativities as between the different scales and will create unnecessary dissatisfaction among the other employees of the public sector.

3.21 A corollary to the recommendation made in the previous paragraph is that no single clean wage scale should be revised without, at the same time, revising all the other

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scales as they all bear a certain definite relationship to one another, both vertically and horizontally. Any revision of a given scale will produce rippling effects which will ultimately require every other scale to be revised and therefore any revision should henceforth be general or across the board in character involving every single scale in the public sector. All claims for revisions of clean wage scales from Departments, or Unions and Staff Associations should therefore take the form of a request for emplacement either on a higher or a lower scale or on different entry points on a given scale; no such request should be met unless there are very good reasons for doing so, such as changes in the required entry qualifications, departmental examinations or in the quality of work required to be performed or a combination of one or more of these factors.

NEW CLEAN WAGE SCALES

3.22 Based on the principles enunciated and factors discussed in Chapters I to II of this Report and in the preceeding paragraphs of this chapter, the new clean wage scales that have been created for use in the entire public sector are set out in the paragraphs that follow.

PS Scales

3.23 (i) PS(K) Timescale: $150x5-190x15-265

(ii) PS(K) Special Grade: $235x15-325

(iii) PS(K) Superscale E: $355x30-385

3.24 (i) PS(K+6) Timescale: $180x5-190x15-325x30-385

(ii) PS(K+6) Special Grade: $325x30-445

(iii) PS(K+6) Superscale C: $475x30-505

(iv) PS(K+6) Superscale B: $535x30-565

(v) PS(K+6) Superscale A: $595x50-645

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3.25 (i) PS(K+3) Timescale: $165x5-190x15-310

(ii) PS(K+3) Special Grade: $280x15-325x30-385

(iii) PS(K+3) Superscale D: $415x30-445

(iv) PS(K+3) Superscale C: Same as for PS(K+6) Superscale C

3.26 (i) PS(K-3) Timescale: $150x5-190x15-220

(ii) PS(K-3) Special Grade: $190x15-295

LC Scales

3.27 (i) LC(K) Timescale: $205x15-325x30-535

(ii) LC(K) Special Grade: $475x30-595x50-645

(iii) LC(K) Superscale D: $695x50-745

(iv) LC(K) Superscale C: $795x50-845

(v) LC(K) Superscale B: $895x50-945

3.28 (i) LC(K+3) Timescale: $250x15-325x30-595x50-645

(ii) LC(K+3) Special Grade: $565x30-595x50-745

(iii) LC(K+3) Superscale C: Same as for LC(K) Superscale C

(iv) LC(K+3) Superscale B: Same as for LC(K) Superscale B

(v) LC(K+3) Superscale A: $995x50-1,045

3.29 (i) LC(K-3) Timescale: $205x15-325x30-445

(ii) LC(K-3) Special Grade: $385x30-565

(iii) LC(K-3) Superscale E: $595x50-645

(iv) LC(K-3) Superscale D: Same as for LC(K) Superscale D

(v) LC(K-3) Superscale C: Same as for LC(K) Superscale C

SC Scales

3.30 (i) SC(K) Timescale: $295x15-325x30-595x50-895

(ii) SC(KU) Timescale: $295x15-325x30-565/595x50-745/795x50-895

(iii) SC(K) Special Grade: $745x50-1,045x75-1,120

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(iv) SC(K) Superscale E: $1,195x75-1,345

(v) SC(K) Superscale D: $1,420x75-1,570

(vi) SC(K) Superscale C: Same as for HD(MK) Superscale G

3.31 (i) SC(K+3) Timescale: $355x30-595x50-1,045

(ii) SC(K+3) Special Grade: $895x50-1,045x75-1,345

(iii) SC(K+3) Superscale D: Same as for SC(K) Superscale D

(iv) SC(K+3) Superscale C: Same as for SC(K) Superscale C

(v) SC(K+3) Superscale B: Same as for HD(K) Superscale F

(vi) SC(K+3) Superscale A: $2,220x100-2,320

3.32 (i) SC(K-3) Timescale: $295x15-325x30-595x50-745

(ii) SC(K-3) Special Grade: $595x50-945

(iii) SC(K-3) Superscale F: $995x50-1,045x75-1,120

(iv) SC(K-3) Superscale E: Same as for SC(K) Superscale E

(v) SC(K-3) Superscale D: Same as for SC(K) Superscale D

HD Scales

3.33 (i) HD(K) Timescale: $535x30-595x50-1,045x75-1,495

(ii) HD(K) Special Grade: $1,270x75-1,720x100-1,820

(iii) HD(K) Superscale F: $1,920x100-2,120

(iv) HD(K) Superscale E: $2,220x100-2,420

(v) HD(K) Superscale D: $2,520x100-2,620x150-2,770

(vi) HD(K) Superscale C: $2,920x150-3,070

(vii) HD(K) Superscale B: $3,220x150-3,370

3.34 (i) HD(K+3) Timescale: $645x50-1,045x75-1,720

(ii) HD(K+3) Special Grade: $1,495x75-1,720x100-2,120

(iii) HD(K+3) Superscale E: Same as for HD(K) Superscale E

(iv) HD(K+3) Superscale D: Same as for HD(K) Superscale D

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(v) HD(K+3) Superscale C: Same as for HD(K) Superscale C

(vi) HD(K+3) Superscale B: Same as for HD(K) Superscale B

(vii) HD(K+3) Superscale A: $3,520x150-3,670

3.35 (i) HD(MK) Timescale: $445x30-595x50-1,045x75-1,270

(ii) HD(MK) Special Grade: $1,045x75-1,570

(iii) HD(MK) Superscale G: $1,645x75-1,720x100-1,820

(iv) HD(MK) Superscale F: Same as for HD(K) Superscale F

(v) HD(MK) Superscale E: Same as for HD(K) Superscale E

(vi) HD(MK) Superscale D: Same as for HD(K) Superscale D

3.36 (i) HD(MK-3) Timescale: $445x30-595x50-1,045

(ii) HD(MK-3) Special Grade: $895x50-1,045x75-1,345

(iii) HD(MK-3) Superscale H: $1,420x75-1,570

(iv) HD(MK-3) Superscale G: Same as for HD(MK) Superscale G

(v) HD(MK-3) Superscale F: Same as for HD(MK) Superscale F

(vi) HD(MK-3) Superscale E: Same as for HD(MK) Superscale E

DF Scales

3.37 (i) DF(K) Timescale: $945x50-1,045x75-1,720x100-2,320

(ii) DF(K) Special Grade: $2,020x100-2,620

(iii) DF(K) Superscale G: $2,770x150-3,070

(iv) DF(K) Superscale F: $3,220x150-3,370

(v) DF(K) Superscale E: $3,520x150-3,670

(vi) DF(K) Superscale D: $3,820x150-3,970

(vii) DF(K) Superscale C: $4,170x200-4,370

(viii) DF(K) Superscale B: $4,570x200-4,770

(ix) DF(K) Superscale A: $4,970x200-5,170

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(x) DF(K) Staff Grade III: $5,420

(xi) DF(K) Staff Grade II: $5,670

(xii) DF(K) Staff Grade I: $5,920

3.38 (i) DF(K+3) Timescale: $1,120x75-1,720x100-2,620

(ii) DF(K+3) Special Grade: $2,320x100-2,620x150-3,070

(iii) DF(K+3) Superscale F: Same as for DF(K) Superscale F

(iv) DF(K+3) Superscale E: Same as for DF(K) Superscale E

(v) DF(K+3) Superscale D: Same as for DF(K) Superscale D

(vi) DF(K+3) Superscale C: Same as for DF(K) Superscale C

(vii) DF(K+3) Superscale B: Same as for DF(K) Superscale B

(viii) DF(K+3) Superscale A: Same as for DF(K) Superscale A

(ix) DF(K+3) Staff Grade III: Same as for DF(K) Staff Grade III

(x) DF(K+3) Staff Grade II: Same as for DF(K) Staff Grade II

3.39 (i) DF(MK) Timescale: $795x50-1,045x75-1,720x100-2,020

(ii) DF(MK) Special Grade: $1,720x100-2,220

(iii) DF(MK) Superscale H: $2,320x100-2,620

(iv) DF(MK) Superscale G: Same as for DF(K) Superscale G

(v) DF(MK) Superscale F: Same as for DF(K) Superscale F

(vi) DF(MK) Superscale E: Same as for DF(K) Superscale E

(vii) DF(MK) Superscale D: Same as for DF(K) Superscale D

3.40 (i) DF(MK-3) Timescale: $795x50-1,045x75-1,720

(ii) DF(MK-3) Special Grade: $1,495x75-1,720x100-1,820

(iii) DF(MK-3) Superscale J: $1,920x100-2,220

(iv) DF(MK-3) Superscale H: Same as for DF(MK) Superscale H

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(v) DF(MK-3) Superscale G: Same as for DF(K) Superscale G

(vi) DF(MK-3) Superscale F: Same as for DF(K) Superscale F

(vii) DF(MK-3) Superscale E: Same as for DF(K) Superscale E

CLEAN WAGE

3.41 The present wage structure in the public sector is based on a system of clean wage in which no other allowances were meant to be paid over and above the wages received by the employees. This was the basic concept enunciated in the Suffian Report, but unfortunately the Suffian Commission itself did not succeed in abolishing all allowances that were payable prior to the implementation of its Report. Similarly, the subsequent Commissions and Committees too did not fare any better in eliminating allowances. This problem has been re-examined in detail and every effort has been made to incorporate as many of the allowances as possible into the new clean wage scales recommended in this Report. These were the allowances that were generally payable to everyone in a given scheme or on a particular scale in the given scheme. In all other cases, unless it was possible to find justifiable reasons for abolishing allowances, they have been retained either with or without modification. This subject is discussed in greater detail in Chapter VII which deals exclusively with perquisites.

CLEAN WAGE SCALE BARS

3.42 At present there are three types of bars inserted in the clean wage scales, known as the probationary, examination and efficiency bars. The probationary bars sometimes also serve as examination bars when an employee

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is required to pass certain prescribed examinations within the first few years of his appointment. For reasons given in the succeeding paragraphs of this chapter, the practice of inserting these bars should be discontinued. It will be seen, therefore, that this principle has been followed in the clean wage scales set out in paragraphs 3.23 to 3.40 above, where no bars of any kind have been provided.

Probationary Bar

3.45 Following the observations made by the Harun Commission, it has been noted that although at present the period of probation imposed on appointment varies from six months to three years, it is the general practice to place a probationary bar immediately after the third step on all scales. It has also been noted that in some instances the probationary bar also serves as an examination bar. Both the placing of this bar and its functions, therefore, give rise to unnecessary confusion. For the reasons adduced in the following two paragraphs, the purposes of the bar can still be served without its use.

3.44 The object of the probationary period is to assess whether or not a new employee, by his performance and conduct, is fit and suitable to undertake the full duties and responsibilities of the post to which he or she has been appointed. Failure to complete the period of probation satisfactorily would and should result in termination of service. Under such circumstances, the period required for such assessment would depend on the nature and degree of complexity of the post concerned. As such, following the recommendations of the Harun Commission, the length of the period an employee should be placed on probation should depend on the nature of the service concerned, i.e. the more difficult and complex the nature

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of the duties and responsibilities of the service concerned, the longer should be the probationary period required. The probationary periods for different levels of employment (see Chapter VII, paragraph 7.3) should therefore be imposed as follows:

Level of Employment		Probationary Period
Division One	-	3 years
Division Two	-	2 years
Division Three	-	1 year
Division Four	-	6 months

3.45 Employment in only certain services requires examinations to be passed within the same time span set for the probationary period, while there are no similar examination requirements for others at the same level of employment with more or less similar entry qualifications. Here again the number of years within which the employee concerned has to pass the examination varies from service to service - generally from one to three or even four years. It would, therefore, appear inconsistent that a probationary-cum-examination bar should be placed after the third or fourth step of a clean wage scale in all such cases. Furthermore, the penalty generally imposed on an employee who does not pass the prescribed examination is one of withholding increments and normally does not involve dismissal from service. It is therefore not seen how what is normally known as a probationary bar should also be required to perform this additional function without confusion.

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3.46 For reasons given above, it is recommended that the practice of inserting probationary or probationary-cum-examination bars should be discontinued. Henceforth all requirements of the probationer for purposes of confirmation and the examinations involved for purposes of increments should be clearly spelt out separately in the letters of appointment. The letters should also spell out the penalties that would be imposed in the event the recruit concerned does not successfully meet these requirements within the stipulated periods, i.e. dismissal if he does not fulfil the conditions of probation and withholding of increments if he does not pass the prescribed examinations within the stipulated time.

Examination Bars

3.47 It is noted that some schemes prescribe certain examinations that should be taken by confirmed employees within a given period of time while they are still on the timescale. The current practice is to denote this, too, by placing a bar at the relevant place on the clean wage scales. This examination, in some cases, is the second examination the employees concerned will have to take, where they were also required to sit for an examination during their first three or four years after recruitment. The placing of the bar on the relevant timescale is so done in order normally to coincide with the beginning of the promotion zone of the timescale. In other words, the primary purpose of this first or second examination, as the case may be, is to test if the employee concerned is fit for purposes of promotion. But in practice, if the employee concerned does not pass the examination, in addition to being barred from being considered for promotion,

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he is also penalised by being denied any further increments on the timescale. However, according to the relevant General Orders, if the employee concerned passes the examination subsequently, on appeal after a certain prescribed interval of time, his increments are restored as if they had not been withheld in the first instance, except that no arrears are payable for losses incurred while the penalty was in force. Here again, therefore, there is confusion in the exact purpose the examination bar is meant to serve. It is accordingly suggested that all such examinations should only be required for purposes of promotion and should not affect increments on the timescale. It is accordingly recommended that that there should be no further necessity for placing such examination bars on timescales.

Efficiency Bars

3.48 It is noted that it is the present practice to place efficiency bars in some of the clean wage scales while not in others. The purpose of these bars is to ensure that only the efficient employees are permitted to cross the bars. At the same time it is also understood that it is the practice that before an employee is granted annual increments, a certificate of recommendation has to be signed by the immediate superior. As such, the annual increment is itself not automatic, because an assessment is made by the superior to determine whether or not the employee deserves the annual increment. If, therefore, the efficiency of an employee is in fact being assessed annually before an increment is given, it would not be necessary for any extra assessment at an efficiency bar and as such the efficiency bars can be considered to be

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redundant. Accordingly, it is recommended that such bars should not be inserted in all clean wage scales.

WAGE JUMPS AT BARS

3.49 Prior to the recent series of wage revisions, it was the practice to provide for wage jumps after bars, before crossing which the employees concerned generally had to pass certain prescribed departmental examinations. After the recent introduction of the clean wage system, the practice was abolished in some cases and restricted in others, following the recommendations of the various Commissions and Committees concerned. Even the current restricted use of jumps at bars is unsatisfactory in that the jumps are inconsistant to start with, and at the same time result in the creation of numerous similar wage scales, each differentiated from the other merely by the position of the bars and the kinds of jumps provided at those bars. The continuation of this practice would, therefore, run counter to the desirability of reducing the total number of scales in existence. Therefore, where it is found necessary for any scheme of service to have departmental examinations, this requirement has already been taken into account, by the manner in which the new scales have been constructed and by the provision of suitably higher steps of entry into the common user clean wage scales used, thus obviating the necessity for the creation of new wage scales just to take into account the departmental examinations concerned.

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C H A P T E R IV

APPLICATION AND CONVERSION

4.1 In this chapter are set out the principles that have been developed for determining how the new clean wage scales that have been drawn up in the previous chapter should be applied to the various existing schemes of service and how conversion should take place from the existing to the new clean wage scales.

APPLICATION OF CLEAN WAGE SCALES

4.2 The general principles that should be used for determining how the new clean wage scales should be applied to the existing schemes should be as follows:

(a) Every academic year should carry three points. This would include all academic educational institutions, e.g. primary and secondary schools, colleges and universities. In the case of colleges and universities, care should be taken to distinguish between courses which are academic and those which are specially designed to train candidates for specific fields of employment such as teaching and nursing;

(b) Every full-time training year should carry two points. A training year may be spent either in a specially-designed training institution or in an otherwise academic institution. Under the first mentioned category will fall all the recognisable training institutions such as the NITTCB, all the teacher-training colleges, pre-service training

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institutions for para-medical staff such as Nurses and Hospital Assistants, and the various polytechnics. The second category will include such courses as those leading to the award of teaching and welfare diplomas and certificates from universities and other institutions of higher learning;

(c) All fields of employment that can be deemed to have a technological or scientific bias should be given two points. These would include those fields of employment where the academic and training qualifications required are technological or scientific in character or where artistic talents are required;

(d) All technical departmental examinations taken together should be given one point. The reason why only technical examinations carry a point, while others do not, is that the wage scales, as constructed, have already taken into account the fact that all fields of employment will require some form of in-service training during the early periods of employment for the efficient discharge of the duties and responsibilities concerned. Therefore, only those examinations have been taken into account which are at present being taken departmentally but which should and

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could be taken before entry into service if the necessary training facilities were available in full-time institutions; and

(e) One point should be given for every year of relevant experience, i.e. in a related job done elsewhere prior to entry into the service concerned, subject to the maximum of the timescale concerned. This should be taken into account by the appropriate appointing authorities when recruitment exercises are held.

4.3 The granting of points on the basis of the principles enunciated above will normally determine the clean wage scales and the points of entry to be applied to a particular scheme. But it should be emphasised that in determining the clean wage scale that should be used for a particular scheme of service, the totality of the situation should be the deciding factor, taking into consideration all the related schemes. Thus, for instance, where a scheme is essentially a Pass Degree one, the scale used would be DF(MK) even though the scheme would have provision for a higher entry point for holders of Honours Degrees.

4.4 Using the principles enunciated in paragraph 4.2, the new clean wage scales set out in Chapter III should be applied to serving and new employees as follows:

(a) All categories of employment which require a minimum entry qualification of a primary education, a lower secondary

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education without the LCE and/or manipulative skills, should use the PS clean wage scales as follows:

(i) PS(K-3): For General Labour where the minimum educational qualifications are not specifically stated or required in practice;

(ii) PS(K): For Subordinate Office Workers, for whom the minimum educational qualification required is Standard VI Primary Education;

(iii) PS(K+3): For employment that is classified as semi-skilled, which requires a full primary education;

(iv) PS(K+6): For employment which requires a minimum entry qualification of some lower secondary education plus apprenticeship training certificates or their equivalents.

(b) All categories of employment for which the minimum entry qualification is a secondary education, but without the School Certificate, should use the LC clean wage scales as follows:

(i) LC(K-3): Where the minimum entry qualification does not quite come up to the LCE level or where a

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scheme is in the process of transition from a primary education scheme to one which requires an LCE;

(ii) LC(K): Where the minimum entry qualification is the LCE or its equivalent;

(iii) LC(K+3): Where the minimum entry qualification is the LCE plus two or three years of training in a full-time institution.

(c) All categories of employment which require the School Certificate or its equivalent should use the SC clean wage scales as follows:

(i) SC(K-3): Where the entry qualification required is not quite equal to the School Certificate or where a scheme is in the process of transition from an LCE to an SC scheme;

(ii) SC(K): Where the minimum entry qualification is the School Certificate or its equivalent;

(iii) SC(KU) Timescale: Meant only for certain grades of employees in the Uniformed Services, as a transitional measure;

(iv) SC(K+3): Where the minimum entry qualification is the School Certificate plus two or three years of training in a full-time institution.

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(d) All categories of employment which require the HSC or an academic Diploma or their equivalent should use the HD clean wage scales as follows:

(i) HD(MK-3): Where the minimum requirement is not quite equal to an HSC or where a scheme is in the process of transition from an SC to an HSC scheme;

(ii) HD(MK): Where the minimum entry qualification is either the HSC or its equivalent or an SC plus three or four years of training in a full-time institution;

(iii) HD(K): Where the minimum entry qualification is a three-year academic Diploma or its equivalent;

(iv) HD(K+3): Where the minimum entry qualification is higher than the Diploma but not quite equal to a Pass Degree.

(e) All categories of employment where the minimum entry qualification is a degree or higher qualification, should use the DF clean wage scales as follows:

(i) DF(MK-3): Where the entry qualification does not quite reach a pass degree level and non-recognised degree services or where a scheme

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is in the process of transition from a Diploma or an HSC scheme to one which requires a pass degree;

((iii) DDF(MC): Where the minimum entry qualification is a Pass Degree or its equivalent;

((iii) DDH(K): Where the minimum entry qualification is an Honours Degree or its equivalent;

((iv) DDF(K+3): Where the minimum entry qualification is a Masters Degree or its equivalent and higher qualifications.

4.6 It will be seen from the foregoing paragraphs that there is a wage scale for practically every level and type of academic and training requirements and even for qualifications which happen to fall between two recognised levels, starting from inadequate primary education to the Masters Degree, which is the highest minimum qualification required for entry into certain services at present. Scales have accordingly been allotted to all the existing schemes. In some instances, it has been found necessary to re-organise certain schemes in order to remove existing anomalies as it is obvious, using the criteria that have been developed, that the anomalies concerned are the result of attempts to lump together, into a single scale, different types of employees whose educational and

training qualifications were vastly different from one another. Separation of such employees into their respective scales was in fact a sine qua non if the existing anomalies and their consequent bitterness and frustration were to be removed. Wherever it was found necessary, this has been done since it appeared to be the only way of restoring morale where it was lacking at present and of ensuring an efficient administrative machinery.

4.6 Based on the principles discussed in the foregoing paragraphs, scales have been allotted to all existing schemes of service and posts in the public sector. These are set out in detail in Annexure I to **APPENDIX** 'B' of this Report. This Annexure indicates the scheme of service or post involved, the present and proposed clean wage scale and the relevant entry points that should be used. The footnotes also indicate any re-organization that is implied as a result of the application of a particular clean wage scale to a scheme of service or post. Some of the implied re-organizations are minor and will not result in altering existing chains of command or grouping of employees scheme-wise. In all cases where major re-organizations are involved, they have been explained in greater detail in Chapter VIII entitled "Consequential Re-organization".

MODE OF CONVERSION

4.7 Different modes of conversion have been used in the past when converting existing or old wages to new revised wages. The most popular and commonly-used method appears to be the mode of conversion recommended by the Benham Committee (the Benham Formula) which reviewed

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salaries in the civil services in 1949/1950. Basically, the Benham Formula provided a simple and straight-forward step for step conversion, which ensured that the seniority of the employees concerned in terms of wages was not interfered with. Another and more recent mode of conversion is that recommended by the Suffian Commission (the Suffian Formula) in 1967. The Suffian Formula was specially devised to take into account the financial stringency that was then being experienced by the Government at the time the Suffian Report was written. Under this formula, conversion from an existing clean wage scale to the corresponding revised clean wage scale was effected by aggregating the basic wage, the relevant cost of living allowance payable to an officer married with children, and the highest rate of housing allowance payable and permitting the resulting aggregate to convert to an equivalent or the next higher point on the new clean wage scale provided. No allowance or credit was granted for length of service of an employee on the old scale. Other Commissions and Committees since then have generally used either one of these formulae or a combination of them, where necessary, suitably modified for the purpose in hand.

Conversion Formula

4.8 For purposes of conversion under this Report, it has been decided to use the Suffian formula of conversion which will ensure that the cost of conversion is kept to a minimum and therefore make it possible for the new clean wage scales to be implemented. It is of the utmost importance that the new clean wage scales, as proposed in this Report, are implemented as this appears to be the only way of removing existing anomalies, which are very serious and if left unattended to, will continue increasingly to undermine the morale of the public service.

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Importance of Conversion

4.9 As stated earlier, according to the Suffian formula, conversion should take place from a point on the existing wage scale to an equivalent point, if one exists, or to the next higher point on the new corresponding clean wage scale. This, however, results in some employees not receiving any increase at all on conversion and since the total number of employees who fall in this category is very small, it causes unnecessary dissatisfaction among them. In order to avoid such unnecessary dissatisfaction, it is recommended that the conversion, in all cases, should be to the next higher point on the new clean wage scale. However, all employees who have remained on the maximum of a clean wage scale or on a fixed point for more than one year, should be given one increment on conversion.

CONVERSION TABLES

4.10 Based on the conversion principles enunciated above, tables have been prepared for the conversion of all the existing scales to the new scales recommended for them in paragraph 4.4 of this chapter. These conversion tables are set out as Schedules in Annexure I of APPENDIX 'B'. The conversion schedules in Annexure I of APPENDIX 'B' are arranged in an ascending order based on the first points of the existing clean wage scales, i.e. an existing clean wage scale which starts at say $160 will appear before an existing clean wage scale which starts at say $170, irrespective of the maxima of the scales concerned. This will make it easy to locate any conversion table required so long as the present scale is known.

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Coverage

4.11 The conversion tables given in Annexure I of APPENDIX 'B' cover all posts in the public sector of Peninsular Malaysia, Sabah and Sarawak, which include all employees, be they permanent and pensionable, contract or temporary, in the public sector.

Contract Employees

4.12 It is understood that in previous exercises of this nature, contract officers were always treated as a group different from others on the grounds that they were not eligible for superannuation benefits and certain other facilities such as housing loans for which the other regular employees are eligible and that their terms of appointment are the subject of contracted agreements. But contract officers too are governed by the General Orders and other circulars and instructions including amendments and modifications issued from time to time by the employer concerned. If issued after the contracts are signed, they would have the effect of unilaterally amending and modifying the contracts. Therefore, there does not appear to be any reason why contract employees should continue to be treated separately only when revisions of wages and terms and conditions of service take place. Accordingly all their posts too have been included in the Conversion Tables so that a separate exercise would not be necessary for them.

INCREMENTAL DATES

4.13 Since the conversion formula adopted involves situations where two or more steps on the existing scales will convert to a single step on the new scales, it is recommended that the incremental dates of the employees

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concerned should be changed, in accordance with the established procedure for the purpose, to ensure that seniority in wages is maintained. Changes in incremental dates should accordingly be made in accordance with the table set out in Annexure II of APPENDIX 'B'.

EFFECTIVE DATES

4.14 All the recent revisions of wages based on the recommendations contained in the Suffian, the Aziz, the Sheikh Abdullah, the Tun Aziz and the Harun Reports have been implemented effective from common dates, viz. from 1.5.1969 for employees in the Subordinate and Manual Group and its equivalent and from 1.1.1970 for all other employees. The Harun Report which, inter alia, recommended the establishment of a permanent Salaries Commission for the periodic review of wages and terms and conditions of service, has also recommended that such reviews should be undertaken on a quinquennial basis. It is accordingly recommended that the new clean wage scales recommended in this Report should be implemented with effect from 1.1.1975 for all employees. This would then mean that the current exercise of review and co-ordination would take effect exactly five years after the effective dates of the previous revisions.

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C H A P T E R V

HOUSING SUBSIDY

5.1 On 16th January, 1975 the Government decided that the general problem of housing Government employees should be examined and recommendations thereon should be included in this Report. In this connection a Report had been prepared by a Committee which had been set up "to study the implications of granting housing subsidy to Government employees". This Committee, comprising Tan Sri Sheikh Abdullah, Chairman of the Public Services Commission as Chairman, and a representative each from the Treasury and the Public Services Department as members, had been established on 15th June, 1973 and it had submitted its Report to the Government on 17th July, 1974. There was no unanimity in the recommendations made in this Report. A summary of the Committee's recommendations as given in pp. 16 and 17 of its Report is reproduced below, in full, for ease of reference:

"I. Temporary House Rent Subsidy

a) The Chairman recommends that a temporary house rent subsidy be paid to Government employees who are living in rented houses or own houses whose loans have not been paid up. The subsidy is temporary in nature and be paid to all Government employees.

b) The representative from the Treasury agrees with the recommendation in (a) subject to such subsidy being payable only to those in the lower income group, i.e. those earning less than $500.00 per month.

c) The representative from the Public Services Department recommended that the temporary House Rent Subsidy be made payable to all Government servants not living in Government quarters. The subsidy payable should be worked out jointly by the Treasury and the Public Services

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Department, but they should take into account the allowance now payable to Government servants of the rank of Superscale 'A' and above.

II. Housing Loan Scheme

a) The Chairman and the representative from the Treasury recommend that there should not be an overall increase in the quantum of loan.

b) The representative from the Public Services Department recommends that there should be an increase in the quantum of loan.

III. Rate of Interest

The rates of interest on housing loans should be reduced. The amount of reduction should be left to the Treasury and the Public Services Department to decide."

5.2 It should be noted that the Report, as a result of the limited terms of reference of the Committee, has been confined to examining the problems faced only by the Government employees. The terms of reference under which this Report has been written, on the other hand, requires the co-ordination of the terms and conditions of service of employees in the entire public sector and so the examination of the problem has been extended to include all the employees meant to be covered by these terms of reference.

SURVEY OF PRESENT POSITION

5.3 With the implementation of the Suffian Report in 1971, and the Aziz Report in 1972, the Government divested itself of all responsibility for housing its employees. The same, generally speaking, is also the case with Statutory and Local Authorities ever since they implemented the Housing Assistance Scheme (i.e. providing loans for building houses) as recommended by the Harun Commission. In practice, however, neither the Government nor the

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Statutory and Local Authorities have managed to extricate themselves from the problem of housing their employees, despite the fact that the loan schemes as recommended by the various Commissions have been implemented in all cases. The extent to which the Government and the Statutory and Local Authorities are involved in housing their respective employees can be seen from the types of housing assistance, other than loans, that are being provided at present. These are as follows:

Categories of Employees	Housing Facilities Provided
(i) Officers in Superscale A and above	- Free quarters and, in lieu thereof, or if staying in own house, a housing allowance at $650.00 p.m.
(ii) Officers in the Armed Forces	- Quarters at nominal rental and, in lieu thereof, housing allowance at rates varying from $350 to $550 p.m.
(iii) Other ranks in the Armed Forces	- Free quarters and, in lieu thereof, housing allowance at rates varying from $25 to $131 p.m., depending on rank and duty station.
(iv) Police Inspectors	- Free quarters and, in lieu thereof, housing allowance at rates varying from $87.50 to $300 p.m.

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(v) Police Rank and File	-	Free quarters and, in lieu thereof, housing allowance at rates varying from $20 to $131 p.m. depending on rank and duty station.
(vi) Prison Rank and File	-	Same as for Police Rank and File.
(vii) Fire Services Rank and File	-	Same as for Police Rank and File.
(viii) Chief Executives of Statutory and Local Authorities	-	Free quarters and, in lieu thereof, or if staying in own house, a housing allowance at rates varying from $450 to $650 p.m., depending on grade.
(ix) Holders of Essential Posts in Statutory and Local Authorities	-	Free quarters.
(x) Employees provided with Pool Quarters	-	Rents at rates varying from 6 times nominal rental or 6% of clean wage to 10 times nominal rental or 10% of clean wage, whichever is the lower, subject to a minimum rental of $6.00 p.m., depending on the place of work.

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(xi) Employees eligible for Institutional Quarters	-	Rents at rates varying from 3 times nominal rental or 3% of clean wage to 5 times nominal rental or 5% of clean wage whichever is the lower, subject to a minimum rent of $5.00 p.m., depending on the place of work.

5.4 It has been very difficult to ascertain the number of employees who have been provided with the different types of housing facilities mentioned in the previous paragraph, because data, particularly with regard to pool and institutional quarters are not easily available. Nevertheless, from the data that is available, it appears that about 36% of the total number of Federal employees are housed. At a time such as the present, when the rents of houses are high, those 36% of the employees clearly have an advantage over the remaining 64% of the employees who have not been provided with housing facilities. The position is perhaps the same in the case of the employees of the State Governments and Statutory and Local Authorities. The complaints of those not provided with any form of housing assistance, therefore, appear to be justified, since it violates the principle of the rate of the job very blatantly.

5.5 This invidious situation has been brought about partly as a result of only a partial implementation of the Suffian Report concerning housing. According to the recommendations of this Report, a monthly economic rental

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amounting to a maximum of 20% and a minimum of 10% of an employee's clean wage should have been levied on all those who were provided with accommodation, irrespective of whether the accommodation provided was in the form of pool quarters, institutional quarters, chalets or just a mess. The rentals were then to be raised periodically so as to discourage employees from wanting to live in quarters provided by the employer. Unfortunately, even at the time of implementation of the Report itself the rent levied was only the minimum of 10% or 10 times the nominal rental of the quarters concerned. Later, as a result of the pressures exerted by the employees concerned, even this low rental was reduced to 6% of the clean wage for pool and 3% of the clean wage for Institutional quarters, thus further increasing the differential between those provided with quarters and those who were not. Then, with the implementation of the Sheikh Abdullah Report, the Armed Forces personnel were added to this class of employees provided with quarters. Subsequently, partly as a result of this treatment accorded to the Officer ranks of the Armed Forces, pressure was brought to bear by the Police Inspectors and recently, they too, have been granted similar treatment. In the meantime, officers in Super-scale 'A' and above appear to have managed to join the same class of employees enjoying subsidised or free housing from the Government.

5.6 The recent inflation and the consequent rapid rise in private house rents have brought about even greater disparity between those who are either housed or financially assisted by the Government and those who have been left entirely on their own to fend for themselves. This

has caused very serious discontentment among the majority of employees who form the unassisted group, and therefore, unless something is done to bring about a greater degree of equality between the two groups of employees, this discontentment will continue to intensify.

CASE FOR RENT SUBSIDY

5.7 The clean wage scales recommended in this Report will ensure fair increases practically to all employees to raise the level of their real income but this increase will not compensate them to the full extent of the sudden erosion in the value of money that has taken place. The dissatisfaction arising from the differential existing in the housing position of public sector employees can therefore be expected to continue to cause increasing frustration among the less privileged employees. In view of this, the Special Committee on Housing Subsidy, has been fair in recommending that a rental subsidy should be paid to those who are not provided with public housing at subsidised rentals. This would not solve the problem entirely, but would have the effect of at least narrowing the gap that exists between those provided with subsidised public housing and those that are not.

5.8 It is noted that the Special Committee appears to have been unanimous in agreeing that housing assistance in the form of a rent subsidy should be given to all those who are not given subsidised public accommodation, except that they did not seem to be able to agree on the extent of the coverage of the assistance that should be given. The Chairman of the Committee was of the view that the allowance should be paid to those who were occupying rented private

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houses and to those who had built their own houses but whose loans have not yet been paid up. The Treasury representative held the view that the allowance should only be paid to the lower income group, i.e. the same group that was in receipt of the Special Relief Allowance. Finally, the Public Services Department representative held the view that the allowance should be paid to everyone who was not given public accommodation. The difficult nature of this problem can be gauged from the fact that while there were only three persons on the Committee, there were three different views as to who should be given the assistance.

5.9 The whole problem has therefore been carefully re-examined in the light of the principles enunciated in Chapter I that should govern the determination of remuneration in the public sector and the wage structure that has been recommended based on these principles. The most important principle in this connection is the one that states that wages should be determined on the basis of rate for job and not for the person. Any payment that is made, be it in the form of cash or kind, should not violate this principle as otherwise it would still perpetuate the problem of there being a privileged class of employees. Merely increasing the number in the present class of employees provided with quarters also does not eliminate the problem. Since whatever assistance is given in this respect is given to eliminate or at least reduce the inequality that exists at present between those given subsidised public accommodation and those that are not, it should be ensured that the assistance given to those who are not in receipt of such accommodation should result in making the position of the two categories of employees, as far as is possible, about the same.

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Proposed Rent Subsidy

5.10 It is therefore, proposed that a housing subsidy to be known as a rental allowance should be paid to all public employees who are not provided with any form of public accommodation. Since this allowance is meant to assist the employees concerned to find suitable accommodation befitting their respective stations in life, it cannot be a uniform rate for a given level of employment, irrespective of the geographical locality of the employee's duty station. Generally the rent for private accommodation is highest in the Federal Capital of Kuala Lumpur (including Petaling Jaya), and then tends to fall off more or less according to the size of the towns. In view of this, it is proposed that there should be three rates to be applicable according to the size of the towns and the nature of the areas where the duty stations are located. At present, for instance, the rent charged for pool quarters also varies according to the geographical locality of duty stations, and as a result of this there are three types of rents. Therefore any rent allowance proposed should also be based on the same classification system.

5.11 Accordingly, it is recommended that a rent allowance be paid based on the clean wage payable to an employee at the following rates and in the localities indicated:

(i) 17.5% of clean wage in the City of Kuala Lumpur (including Petaling Jaya);

(ii) 15% of clean wage in George Town, Butterworth, Kuala Trengganu, Seremban, Klang, Kota Bahru, Kuantan, the District of Kuala Lumpur outside the city limits

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and outside Petaling Jaya, Ipoh, Johore Bahru, Kota Kinabalu, Sandakan, Tawau, Miri, Sibu and Kuching; and

(iii) 12.5% of clean wage in all other areas.

5.12 Rent allowance at these rates should be paid to all employees who have not been provided with any form of accommodation by the employer, including those who have or have not built their own houses with the assistance of loans provided by their respective employers. A rent allowance at these rates should also be paid in Sabah and Sarawak although the rents in these two States are comparatively higher than those prevailing in Peninsular Malaysia for the reason that employees in Sabah and Sawarak are already in receipt of a Regional Allowance, which will continue to be paid at modified rates, to offset differences existing between the two States and Peninsular Malaysia. The subject of Regional Allowance is discussed separately in Chapter VI of this Report.

Taxation

5.13 At present quarters provided by the Government or by the Statutory and Local Authorities do not attract income tax. Prior to the implementation of the Suffian Report, public employees, who were provided with quarters, only paid nominal rents on them and so a sum equivalent to 3% of their annual wages was added to their taxable income for purposes of tax assessment. Ever since the Suffian Report was implemented, the employees concerned have been paying rents at the rates given in paragraph 5.3 above. Since these have been classified as economic rentals, following the terminology used in the Suffian Report, the practice of adding a certain sum to the taxable income was

discontinued. This had also, therefore helped to widen the gap between those who are housed and those who are not. The rent allowance proposed in this Report will not be adequate to compensate them for not being provided with quarters. This being the case, if the rent allowance to be paid is taxed, it will again widen the gap between those who are housed and those who are only paid the rent allowance. In view of this, it is recommended that those who are paid the rent allowance should be treated as if they have been provided with quarters on which they pay economic rentals, i.e. the rent allowance paid to them should not be made subject to tax.

Present Housing Allowances

5.14 With the payment of the rent allowance as recommended above, it is recommended that all the housing allowances that are payable at present, as listed in paragraph 5.3 above, should be abolished. The position of the employees listed in paragraph 5.3 will then be that either they are provided with free quarters or quarters at subsidised rentals as at present, or in lieu thereof, be paid rent allowance at the rates prescribed.

HOUSING ASSISTANCE SCHEME

5.15 As stated earlier in this chapter, the Government and the Statutory and Local Authorities at present have in operation a loan scheme known as the Housing Assistance Scheme. Under this scheme, loans are provided at the standard subsidised interest rate of 4% per annum. The rent allowance proposed in the earlier part of this chapter can at best be considered as a temporary and partial solution to the problem. The long-term solution to the problem will depend on the success with which the Housing

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Assistance Scheme is implemented. It is the expressed policy of the Government to foster a house-owning democracy in the country as the basis for developing a stable community. This means that the Government is committed to ensuring that not only public employees are housed in their own homes but also all Malaysian citizens. The Government's policy concerning the housing of public employees must therefore be co-ordinated with its general policy of providing facilities for the housing of all other citizens of the country as well. At present there is a Ministry specially charged with the function of formulating and implementing a policy and programme of housing for the country as a whole. It would in fact not be proper to discuss the problem of housing public employees in isolation from the general policy and programme of the Ministry of Local Government and Housing. But it is felt that the problem of housing public employees should also form part and parcel of the policy and programme of the Ministry, in order to ensure that what is being done for public employees is in line with the national policy and programme. This Report will therefore be confined to discussing the immediate problem confronted by public employees, within the existing policies for housing them.

Quantum of Loans

5.16 At present the Federal Government operates a Housing Assistance Scheme which provides loans at a subsidised rate of interest of 4% per annum to its employees, as follows:

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Monthly Clean Wage				Maximum Eligibility
From	$115	to	$199	$5,500
"	200	"	249	6,500
"	250	"	299	8,000
"	300	"	399	10,000
"	400	"	499	13,000
"	500	"	599	16,000
"	600	"	749	20,000
"	750	"	799	25,000
"	800	"	899	26,000
"	900	"	999	28,000
"	1,000	"	1,149	32,000
"	1,150	"	1,299	36,000
"	1,300	"	1,599	40,000
"	1,600	"	1,800	48,000
"	1,900			53,000
"	2,000			55,000
"	2,150			60,000
"	2,300			65,000
"	2,500			70,000
"	2,700			75,000
"	3,000			80,000
"	3,500 and above			85,000

5.17 The most serious representation that has been made against this scheme is that the quantum of loans for the different categories of employees is not adequate for the purchase of houses. The present quantum of loans appears to have been determined, on the basis of the ability of the employees concerned to repay them. Following this principle, now that all the existing clean wage scales have been revised it is found that the quantum of loans,

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) too, will have to be revised to take into account the revised wage scales. It is accordingly recommended that the revised quantum of loans should be as follows:

Monthly Clean Wage				Maximum Eligibility
From	$150	to	$249	$8,000
"	250	"	399	12,000
"	400	"	599	20,000
"	600	"	799	30,000
"	800	"	999	34,000
"	1,000	"	1,299	45,000
"	1,300	"	1,800	58,000
"	1,900	"	2,149	66,000
"	2,150	"	2,499	78,000
"	2,500	"	2,999	90,000
"	3,000	"	3,999	110,000
"	4,000 and above			135,000

5.18 It is felt that these revised rates, based on a much wider group of employees and on the revised clean wage scales recommended, should be adequate to assist public employees to purchase their own houses at the current market prices. The revised rates of loans should take effect from a current date, as a general rule. However, where loans have already been approved but have not yet been taken up in full, they may be revised, if the situation warrants it, based on the new amounts recommended.

Eligibility for housing loans

5.19 All public employees who have successfully completed their probationary period as specified in Chapter III, paragraph 3.44 of this Report and have since been confirmed in their service, should be eligible for housing loans, according to the rates prescribed in paragraph 5.17 of this Report.

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Interest Rates

5.20 The second most serious complaint made so far on the Housing Assistance Scheme is that the interest rate of 4% based on a 15-year period of repayment is too high and that as a result of this a large number of employees are reluctant to participate in the scheme as they find that the monthly instalments which they have to pay would take away a substantial proportion of their monthly wage especially at a time of inflation, such as the present, when food prices are constantly rising. The interest rate of 4% per annum is the highest that may be charged according to the recommendations of the Suffian Report. It could, in fact, have been anything from nil interest to 4% per annum. In this connection, as stated in paragraph 5.1 of this chapter, the Sheikh Abdullah Committee had recommended a reduction in the rate of interest that is being charged at present, except that it left the amount of reduction to be determined by the Treasury and the Public Services Department. In view of the fact that employees who take advantage of the loan scheme to build their own houses are in fact helping the Government to realise its concept of evolving a house-owning democracy, it is recommended that interest charges should be reduced to 3% in the case of all housing loans. This would ease the burden on the employees concerned in repaying the loans.

Effective Date

5.21 It is recommended that the rent allowance should be made effective from a current date, i.e. from the date on which the Service Circular implementing the recommendations contained in this Report is issued, but the reduction in

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the interest rates should be made effective retrospectively from 1.1.1970, i.e. from the date on which the Housing Assistance Scheme was introduced, so as not to penalise the employees who took advantage of the loan scheme at an earlier date.

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C H A P T E R VI

COLA AND BONUS

6.1 As has been mentioned earlier in this Report, although the Suffian Commission recommended a clean wage structure in which there was no room for the payment of allowances over and above the clean wage payable, it did not manage to eliminate the payment of allowances altogether. In pursuance of its fundamental policy of non-payment of allowances, it abolished, inter alia, the payment of COLA as one of those allowances that should not be paid over and above the clean wage recommended. Here, however, having abolished the payment of COLA, it found that in actual practice it was not possible to ignore the fact that the cost of living in certain areas is appreciably higher than in other areas. Thus, for instance, it found that the cost of living in Sabah and Sarawak was appreciably higher than in Peninsular Malaysia and so it recommended the payment of what it called a regional allowance to employees in Sabah and Sarawak over and above the clean wage payable in order to offset the much higher cost of living obtaining in these two States compared to the rest of Malaysia.

REGIONAL ALLOWANCE

6.2 As a result of this recommendation and after a careful study has been made of the difference in the cost of living conditions obtaining in the two territories of Malaysia, the Government approved the payment of a regional allowance at the following common rates for employees in Sabah and Sarawak:

Clean Wage Range	Allowance and Percentage of Clean Wage
(a) $200 and below	25%
(b) Up to $400	22.5%
(c) Up to $800	20%
(d) Up to $1,600	17.5%
(e) Over $1,600	15%

6.3 It is appreciated that differences in the cost of living obtaining between different territories in the country cannot be completely ignored, but it is not seen why there should be different rates of allowances payable to employees according to their clean wage ranges. If the principles governing the payment of clean wage are not to be tampered with unnecessarily, unless it can be established that the cost of living also varies according to levels of employment, the rates of allowances payable in order to restore real wages to what they were before the depreciation took place should be the same for all levels of income. In this Report, therefore, this principle has been adhered to. Since the method adopted for the payment of the Regional Allowance in the past is the same as that adopted for the payment of the Special Relief Allowance discussed in paragraphs 6.9 and 6.10 below, this problem is discussed at greater length in Chapter IX entitled "Miscellaneous" under the side heading "Relief Allowances".

Sabah and Sarawak

6.4 According to the statistics made available by the Statistics Department, the Consumer Price Index (CPI) for Kuching was 112.7 and for Kota Kinabalu 127.8 on the basis of 100 for Kuala Lumpur in 1973. It will be seen, therefore, that the difference in the CPI between Kota Kinabalu

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and Kuala Lumpur was 27.8% and between Kuching and Kuala Lumpur was only 12.7%. Based on these differences, it is recommended a regional allowance should be paid at the flat rate of 25% in Sabah and of 10% in Sarawak. Flat rates are recommended in order to ensure that the principle of rate for the job is not violated.

6.5 The effective date for the payment of these revised rates of regional allowance in Sabah and Sarawak should be a current date, i.e. the date on which the Service Circular for the actual implementation of the new clean wage scales recommended in this Report is issued.

Kuala Lumpur

6.6 A large number of representations has been made to the effect that the cost of living in Kuala Lumpur is much higher than that obtaining in the rest of Peninsular Malaysia and on this basis the complainants have requested that this problem should be further examined to see whether or not an allowance should be paid to employees in Kuala Lumpur in order to offset the differences. Unfortunately there were inadequate statistics on the subject to show the actual difference in the CPI between Kuala Lumpur and the rest of Peninsular Malaysia. Nevertheless, it was quite obvious from the meagre statistics available that there was a difference. The question that remained, therefore, was whether or not this difference should be met by way of an allowance payable to employees in Kuala Lumpur in the same way as the payment of regional allowances for employees in Sabah and Sarawak. In order to answer this question, the arguments for and against the payment of such an allowance have been very carefully examined.

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6.7 The argument for the payment of the allowance simply states that since the higher cost of living in Kuala Lumpur is causing a great deal of hardship to the employees working there, the allowance should be paid. The argument against the payment of the allowance runs along the line that while the cost of living in Kuala Lumpur is higher than that in the smaller towns, the educational, entertainment and other facilities available are also much more and better in Kuala Lumpur when compared to those available in the smaller towns. The attractions of working in Kuala Lumpur, according to those who hold this view, are sufficient in themselves to offset any hardships that may be caused by its higher cost of living.

6.8 There is merit in both arguments but the real question is at what point does the higher cost of living in Kuala Lumpur make it less attractive to live and work there than in other places where the cost of living is lower. There is really no easy answer to this question. The best way of determining the point appears to be the actual reaction of the employees themselves. Thus, for instance, if there is an abnormal number of requests from employees serving in Kuala Lumpur for transfer to the smaller districts and towns, then it may be said that the point has been reached. From information available so far, there does appear to be an increasing number of employees who would be happier serving outside Kuala Lumpur but neither is their number significantly high nor is their insistence in wanting to be transferred out of Kuala Lumpur sufficiently great to warrant the conclusion that the time has come for the payment of a regional allowance to employees in Kuala Lumpur to offset the hardships caused

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by the higher cost of living that is being experienced there. However, it is understood that the Statistics Department carried out a household income and expenditure survey in 1973 and that the results of this survey will be known towards the end of the year and it should then be possible to study the difference in living costs that exist between Kuala Lumpur and the rest of Peninsular Malaysia. In the meantime, it does not appear fair to evaluate and make recommendations on this subject at this juncture.

COLA AND SPECIAL RELIEF ALLOWANCE

6.9 The Government introduced, what is called, a Special Relief Allowance effective from October 1, 1973, to offset the effects of a rapidly rising cost of living in Malaysia as represented by the Consumer Price Index (CPI). The allowance was only meant to be an interim measure and was only payable to employees in the public sector in the lower income brackets as follows:

Clean Wage Range	Special Relief Allowance and as Percentage of Clean Wage
Not more than $300 p.m.	$30 (about 10%)
$301 to $400 p.m.	$20 (about 6%)
$401 to $500 p.m.	$15 (about 3%)

6.10 This allowance was only introduced as an interim measure with a view to the whole problem being studied in greater depth at a later time. The new wage structure recommended in this Report incorporates an element to represent the CPI increases that have taken place as far as was possible within the financial means of the Government. Accordingly it is recommended that the Special Relief Allowance should be abolished with the implementation

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of the new wage structure recommended in this Report, effective from the date of implementation of the new clean wage structure. However, in order that this will not result in a reduction in the take-home pay of the employees concerned, the Special Relief Allowance has been incorporated in the Conversion Tables given in Annexure I of APPENDIX 'B' for the income groups that are in receipt of the Allowance at present.

ANNUAL BONUS

6.11 It is mentioned in Chapter II entitled "Economic and Social Factors" that the Government has been paying a one-month wage as an annual bonus, effective from 1st January, 1974. Such payments are also now being made by all Statutory and Local Authorities. As this has become a regular feature in the remuneration of public employees, cognisance of it was taken when constructing the new wage structure recommended in Chapter III. In view of this, it is recommended that the one-month bonus should continue to be paid.

6.12 It is understood that the bonus is at present being paid on a quarterly basis, i.e. at the end of the months of March, June, September and December of each year. This is a good system and should be continued as it would enable the employees concerned to make use of the money they receive more wisely than they would if they received it as a lump sum payment at the end of the year. It is therefore, recommended that the bonus should continue to be paid on the present quarterly basis except that henceforth

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it should be based on the new clean wage scales recommended, effective from the date the new scales are implemented. For purposes of calculating arrears, however, the payments already made should be taken into account by deducting them from the total bonus payable based on the new clean wage scales.

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C H A P T E R VII

P E R Q U I S I T E S

7.1 Perhaps the most difficult test for the rate for the job principle is met when it comes to deciding the nature and amount of perquisites, if any, which should be provided over and above the monthly wages already payable. The problems of housing have already been dealt with in Chapter V and of cost of living and bonus in Chapter VI. The recommendations made therein do not seriously affect the rate for the job principle. In this chapter, all the other types of perquisites that exist are dealt with and these appear to fall into the two broad categories of "cash" which normally takes the form of allowances and "kind" such as leave privileges and medical benefits. These are dealt with in detail later in this chapter. In the meantime, it is necessary to set out guidelines along which the provisions of perquisites in general should be determined, in such a manner as not to violate the rate for the job principle, and also in a manner to make it easy to determine what circumstances should warrant the provision of perquisites and their quantum.

CLASSIFICATION OF EMPLOYEES

7.2 Prior to the implementation of the Suffian Report, all Government employees were classified into what were then known as Division I to IV and the Industrial and Manual Group. On the recommendations of the Suffian Commission, the Divisional system was abolished and employees were classified into four groups as follows:

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Group	Clean Wage Scale Maxima
(a) The Managerial and Professional Group	Above $1,250
(b) The Executive and Sub-Professional Group	Above $700 but less than $1,250
(c) The Clerical and Technical Group	Above $250 but less than $700
(d) The Subordinate and Manual Group	Less than $250

7.3 This classification by nomenclature has not stood the test of time, since, for instance, although Group (c) is known as the Clerical and Technical Group, all Clerical Officers, because of recent salary revisions, now in fact belong to the Executive and Sub-Professional Group and not to the Group which bears their name. But, in so far as the Group system was based on clean wage scale maxima, it has proved to be a fair method of classifying employees. It is felt that a broad classification of employees into categories by clean wage scale maxima is still essential if perquisites are to be administered fairly and easily. It is accordingly recommended that the old Divisional system should be re-introduced without the Industrial and Manual Group forming a fifth Division of their own. The Divisional system should be based on new maxima of clean wage scales as follows:

Division	Clean Wage Scale Maxima
(a) Division I	$2,020 and above
(b) Division II	Above $1,045 but below $2,020
(c) Division III	Above $445 but below $1,045
(d) Division IV	$445 and below.

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CATEGORIES OF PERQUISITES

7.4 All existing perquisites, both cash and kind, can be classified into four main categories, viz. common, reimbursable, responsibility and other perquisites. As to how each of these categories of perquisites should be dealt with, bearing in mind the factors that have already been taken into account in the actual construction of the new wage scale set out in Chapter III, and the need to work within the principle of rate for the job, is discussed in the paragraphs that follow.

Common Perquisites

7.5 Common perquisites are those perquisites that are applicable to all public employees in general or in a defined geographical locality; and where, in order to be eligible for such perquisites, neither any outlay, either in cash or kind, nor any extra qualifications or experience are required on the part of the employee, nor any additional responsibilities are required to be performed by the employee concerned. Three of the major perquisites that fall within this category are housing, bonus and cost of living allowances but, as stated earlier, these have already been dealt with. The other types of common perquisites that remain to be considered are items such as leave privileges of all kinds and medical benefits. Since these are common items, i.e. common to all employees, the principles involved in their determination and administration should be the same as those already applied in the case of determining housing, bonus and cost of living problems, so as to ensure that neither the rate for the job principle is adversely affected nor the horizontal and vertical relativities that have been established in the new wage structure are disturbed.

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Reimbursable Perquisites

7.6 Reimbursable perquisites are so classified because they invariably involve a certain amount of outlay first on the part of the employee concerned, be it in the form of cash or kind, which are then reimbursed by the employer, also in cash or kind or both. A dhobi allowance, for example, is a reimbursable perquisite since the employee concerned must first pay for the laundry of his clothes and then be reimbursed either to the full extent of the expenses incurred or by way of a monthly allowance at a fixed rate, which may or may not be adequate to meet in full the expenses incurred depending on whether the reimbursement was meant to be merely a subsidy or full repayment. The same can be said to be applicable to reimbursable perquisites in kind, e.g. where an employee works overtime, i.e. his outlay, and is then reimbursed either by way of time-off (kind) or by way of overtime payment (cash) based on a pre-determined formula. In all cases of perquisites of this kind, the principle to be applied is simple since the perquisites really amount to repayment, in cash or kind, for services already rendered over and above what is expected of an employee for the wage that is paid to him. The only real question to be determined is whether or not the services rendered were required in the first place by the employer concerned. If so, the reimbursement should be at least adequate to cover the value of the service so rendered.

7.7 Perquisites of this nature have not been incorporated into the clean wage structure recommended since their nature and quantum will have to depend on the kind of services provided, which can vary from service to

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service, time to time and even from place to place. For the same reason, they cannot be treated as a permanent feature of monthly emoluments. In view of this, perquisites of this nature have been determined on the principle of adequate compensation for the kind of service that is required to be performed over and above the normal call of duty.

Responsibility Perquisites

7.8 Responsibility perquisites, as the classification title implies, should be treated as remuneration for the performance of duties which do not fall within the normal run of activities, performed by a given category of employees, i.e. duties which are extra-ordinary to the category of employees concerned or additional to the duties that normally can be expected to be performed by them. Here the remunerations normally take the form of allowances. This is the most difficult of the different types of perquisites dealt with so far as it is often difficult to decide what in fact constitutes extra-ordinary or extra-normal duties. However, it is felt that a start should be made in trying to define precisely what types of activities should or ought to be rewarded with what should be termed as responsibility allowances. The simplest examples of responsibility perquisites are Acting and Charge allowances, but the position gets increasingly difficult as one gets farther afield from those simple and clear-cut examples.

7.9 It is accordingly recommended that, in addition to Responsibility (Acting) and Responsibility (Charge) allowances, it should be in order to pay responsibility

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allowances in the following situations:

(a) All fields of employment where, in addition to the minimum entry qualifications required, the employees concerned are specifically encouraged to obtain higher or different qualifications so that they can carry out functions which cannot be undertaken by those who only possess the minimum qualifications required. In practice it will be found that this will only be applicable in areas where some kind of specialization would not only be desirable or useful but would also be a basic requirement for performance of the service concerned. Care should be taken, however, to ensure that where higher qualifications are only desirable or useful, they are only rewarded by way of more rapid promotion, and not by the payment of responsibility allowances.

(b) All fields of employment where, in addition to the general run of duties, a given group of employees or individuals are required to perform functions which normally should be done by another service or other personnel but for which no posts have been created, either for reasons of economy or because the additional duties involved do not merit the creation of posts for full-time employees.

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7.10 The question then arises as to how the quantum of the allowances that should be payable are determined once it has been established that there is a case for their payment. Considering the fact that the employees concerned are already in receipt of a full-time wage, it is essential to bear in mind the fact that no one can fully perform the functions of two or more employees, even assuming that he is prepared to work many hours in the evenings after the close of office since the Law of Diminishing Returns will begin to operate. Furthermore, it is of utmost importance to ensure that a situation does not develop where an employee is required to keep long after-office hours consistently for months and even years on end, as sooner or later, it will begin to tell on the health of the employee concerned. The only way of ensuring that this will not happen is to create extra posts and to recruit the extra employees required to ensure that no employee has to work consistently extra hours for any appreciably long period of time.

7.11 Based on the factors mentioned above it is recommended that responsibility allowances should be paid on the following basis:

(a) A Responsibility (Acting) Allowance equal to the full difference between the wage of the substantive post of an employee and that of the higher post on which he is acting full-time for the time being, i.e. not covering the higher post in addition to his own, subject to a minimum of one increment, based on the incremental pattern of the higher wage

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scale concerned. In all cases of this nature, the employees concerned should also be eligible for all the perquisites that go with the post in which he is acting.

(b) A Responsibility (Charge) Allowance equal to three increments based on the substantive wage scale of an employee who is required to cover the duties of another post in addition to his own for a continuous period of not less than 28 days. Where an employee is on a fixed wage scale, one increment should be taken as equal to the difference between the fixed wage and the wage point next below it on the General Clean Wage Scale. The payment of charge allowances should be made not only for discharging the duties of an additional established post, but also for discharging the duties of non-established posts such as those of Chairman, Secretary, Treasurer, Director, Member or an Executive of a Statutory or Local Authority, Corporation, Company or of any other Public body for whatever purpose established. No public employee should be permitted to draw Charge allowance for performing the functions of more than two such extra posts at any one time.

(c) A Responsibility (Specialist) Allowance equal to a sum not exceeding two increments based on the relevant increment on

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the substantive clean wage scale of the employee concerned, where the training period required for acquiring the specialist qualification concerned is equal to or more than one academic year. Where the training period is less than one academic year, the allowance should be proportionately reduced. Where the training concerned is technological or scientific in character, the allowance should be increased by a further two increments if the substantive clean wage scale of the employee concerned does not already include this bias.

(d) A Responsibility (Additional) Allowance equal to one increment, where an employee is required to perform new and additional functions of a temporary nature for which normally additional posts ought to be created but where no such posts have been created for reasons of economy or otherwise. The method of determining the increment should be the same as for (b) above.

Other Perquisites

7.12 All other perquisites that exist at present but which do not come within the definition of any one of the three types of perquisites discussed in the foregoing paragraphs, i.e. under the headings of Common, Reimbursable and Responsibility Perquisites, should be abolished. These would include perquisites such as incentive allowances,

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stripe allowances and standstill allowances. But for purposes of conversion into the new scales, it is recommended that these allowances should, wherever possible, be taken into account in order to ensure that serving employees in receipt of these allowances will not suffer a loss in total take-home pay. Thereafter, the allowances will no longer be payable as separate items to serving employees as well as new recruits.

GENERAL OBSERVATIONS

7.13 In view of the fact that, for the first time, an attempt is being made to standardise all the perquisites that exist, both from the point of view of eligibility and quantum, it is important to ensure that the guidelines established in this Report are followed very strictly. It can be envisaged that a great deal of controversy is bound to arise between the employer and the employee, particularly over the whole question of responsibility allowances payable for discharging the functions of extra posts, for specialist qualifications and for the performance of additional duties for which no extra posts have been created. This statement is being made advisedly on the strength of the fact that some of the most severe and bitter criticisms have been levelled against the present methods of meeting out perquisites, particularly at the top levels of public employment. If such criticisms are permitted to continue unabated simply because nothing is done to remove their underlying causes, it cannot but lead to unnecessary damage to the morale of the entire public service.

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7.14 While what has been recommended above is for action to be taken by the employer to remove the shortcomings that exist at present in the administration of perquisites, it should be pointed out, at the same time, that the complainants concerned should also bear in mind certain fundamental facts which appear to have been generally ignored by them in the past, often deliberately, particularly by those who feel that they possess higher qualifications than their colleagues, which have not been adequately compensated in monetary terms. Particular attention should be paid to this aspect of the problem because it is rather perturbing to note that most of the bitter criticisms have been levelled not by those who have obtained the higher qualifications at their own expense either by way of part-time or full-time study, but by the serving employees who have obtained the higher qualifications often at extravagant public expense.

7.15 Attention is drawn to the fact that employees who have obtained higher qualifications through the means of public scholarships, which often include full wages as allowances and additional allowances to cover expenses to be incurred on subsistence, tuition, books and clothing, including the full cost of transport and travelling, have asked for either higher pay or allowances to compensate them for the higher qualification they have obtained. Some of the returned scholars have not even completed their courses within the prescribed minimum time limits, set for the course concerned, thus increasing the financial burdens placed on the tax-payer.

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7.16 It is felt that employees who have thus managed to obtain the higher qualification at public expense ought to feel a certain sense of gratitude on return from their courses and should not immediately on return demand further monetary rewards or manoeuvre for rapid promotions. It should be borne in mind that for every serving employee who manages to get selected to do a course leading to a higher degree or qualification, there are many others who by virtue of similar or greater seniority or by possessing better minimum qualifications are disappointed for not having been selected, often simply because their Heads of Departments concerned have refused to release them or for other reasons. Furthermore, every time a serving employee has been selected for a course, his position has to be kept vacant, either by way of a leave reserve post or otherwise. This means that if the selected employee's post is a promotion one, no one can be promoted to it although one may have been acting in it for the entire duration of the time he has been away.

DETERMINATION OF PERQUISITES

7.17 Based on the principles enunciated in the early paragraphs of this chapter and the proposed new Divisional structure for public employees, an attempt has been made to co-ordinate and review, where necessary, all existing perquisites, for standard application throughout the entire public sector. In so doing, the rate for the job principle and equity have been the basic guiding principles for ensuring that there is consonance between perquisites and the new clean wage structure that has been devised and recommended. It is not thought necessary to spell out in detail the decisions that have been taken on individual

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items of perquisites, which are far too numerous, for inclusion in this chapter. They have accordingly been set out in their final form in APPENDIX 'B' for purposes of implementation, if the recommendations made in this Report are accepted by the Government.

EMPLOYMENT ORDINANCE, 1955

7.18 Attention has been drawn by the Ministry of Labour and Manpower to the fact that the existing regulations concerning overtime payments and maternity leave privileges are ultra vires the relevant provisions made in sections 60A and 37 of the Employment Ordinance, 1955, respectively. According to section 60A(4)(a) of the Ordinance, overtime rates should be time-and-a-half for overtime done on normal working days and double time for overtime done on rest days or public holidays. It also provides that overtime should be limited to a maximum of 32 hours per month per worker. Section 37 (1) of the Ordinance provides for the grant of thirty consecutive days pre-confinement and a further period of thirty consecutive days post-confinement leave. Very careful consideration has been given to these provisions and the recommendations made in this Report comply with the provisions concerning confinement leave.

7.19 The overtime provisions, however, appear to be fraught with serious difficulties both from the point of view of administrative efficiency and cost. Nothwithstanding the provisions which give the Minister concerned power to exempt any employer from having to comply with the limit of 32 hours of overtime per month per worker, it has not been found possible to comply with the provisions concerning overtime. This is not a happy situation since

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the Government itself is not above the law of the land. It is therefore, recommended that the Employment Ordinance should be suitably amended to exempt the public sector from having to comply with its overtime provisions. This will then regularise the position and remove a long-standing awkward problem for the Government.

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C H A P T E R VIII

CONSEQUENTIAL REORGANIZATION

8.1 One of the major objectives of the new and simplified wage structure that has been devised is to ensure an easy method of co-ordinating the existing wage scales. Co-ordination in this context implies that there must be an accepted criterion whereby it would be possible to identify and classify schemes into various categories of employment each of which can carry similar wage scales, thereby ensuring that the rate for the job principle is universally and fairly applied. The rate for the job principle implies first and foremost that similar jobs can be identified and classified so that they can be rewarded equally. In the criterion that has been developed, the number of years of academic education and professional training that is required by the various existing schemes of service, as being the minimum required for the efficient performance of the jobs involved, is used as a fundamental yardstick for measuring the worth or value of the jobs concerned with different weights being applied to jobs that have a scientific or technological bias.

8.2 Through the use of this weighted yardstick, it has been possible to co-ordinate a number of wage scales, which previously even appeared to be unrelated to each other. Also through the use of the same yardstick it has been possible to detect areas where a precondition to such co-ordination involved a certain amount of re-organization in order to streamline and update some of the existing schemes of service, which for historical reasons, have remained or become somewhat outmoded or incoherent in structure. This was particularly the case with regard to employment at the lowest levels where none of the

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Commissions has attempted any form of re-organization. Re-organization in all such cases is therefore very important since they will then contribute towards improving the efficiency of the departments concerned.

8.3 There are also many cases where anomalous situations have been created as a direct result of the implementation of the recommendations made by previous Commissions and Committees. A common example of this is the case where the Suffian Commission had recommended that all H.S.C. and Pass Degree holders should be placed on the same wage scale with different entry points. This meant that in practice where there had been a two-tier structure of employment previously in certain departments, they had to be merged into a single-tier structure. On the other hand, the Aziz Commission retained the Pass Degree holders on a separate scale of their own. Then, when the Harun Report was implemented, it was found that the Pass Degree holders had been placed on the Honours Degree scale with a lower point of entry. It will be appreciated that co-ordination of wage scales in a situation such as this will not be possible without at the same time altering or re-organising the structures of schemes of service which have been based on these conflicting recommendations.

8.4 Still in other cases it was found that scales and schemes had been created or very high entry points had been granted to certain qualifications without due regard to similar situations already existing elsewhere, thus creating unnecessary anomalies where none need have existed at all. There were cases, for instance, where a

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new grade of employees had been created thereby making certain other existing grades redundant or where certain grades had been upgraded or overvalued thus creating unnecessary and unjustifiable disparities between related services.

8.5 In all cases, such as those described in the previous paragraphs, it has been found essential to recommend basic re-organization so as to make the co-ordination exercise meaningful and at the same time fair and reasonable to all concerned. The re-organizations that have been found to be pre-requisites to the effective implementation of the co-ordinated wage structure and scales are explained in the paragraphs that follow.

SCHEMES AND ESTABLISHMENTS

8.6 In view of the fact that a uniform wage structure has been recommended for use throughout the entire public sector, henceforth recruitment and the creation of posts in the public sector should be co-ordinated and controlled by an appropriate central agency. In order to achieve this, appropriate amendments must be made to the respective legislations governing Statutory and Local Authorities, including the Malayan Railway.

CAREER PROSPECTS

8.7 One of the basic principles on which the recommended scales have been framed is that every scheme of service should have its own promotion prospects. This, in all cases, is most important to maintain the morale and efficiency of the public service. At present there is a number of instances where schemes have not provided for any promotion prospects unless the employees concerned

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secure appointment to another branch of the public service. It is therefore recommended that all schemes of service should provide for promotion grades which should include a special grade and, if desirable and appropriate, super-scale posts. It is appreciated that the size and grading of the total establishment of the services under consideration cannot be static and, therefore, provision has been made for flexibility by the appropriate Government Agency in the determination of posts including timescale and promotion posts.

Other Avenues

8.8 In addition it is felt that provisions should be made in all schemes of service, wherever possible, indicating the prospects of appointment available to the employees in other related services. For example, the Executive Officers schemes of service should indicate, besides the academic qualifications, the categories of employees in the lower services who would be eligible for appointment to the Executive Service if they possess the necessary experience and training. It is realised that this would not be easy in all cases especially in areas where extensive job evaluation would be required. But it is felt that all employers concerned must do this to ensure that in future all schemes of service will carry all the relevant information for the advancement of the more enterprising and able public employees.

Experience for Higher Appointments

8.9 One of the existing avenues of advancement from a lower to a higher service is to acquire a given number of years of experience in the lower service and then apply

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for appointment to a higher service. Thus, for instance, a clerical officer with six years of experience may apply for appointment to the Executive Service. In future, however, wherever schemes of service provide for such opportunity, the number of years required to qualify for consideration for the higher appointments concerned should be based on the points system adopted in the construction of the new clean wage scales, i.e. three years of experience in lieu of one academic year. For example, a member of an LCE service who seeks appointment to an SC service, should have a minimum of six years of experience in the LCE service. This system should henceforth be uniformly applied wherever years of experience is acceptable as an alternative to academic qualifications.

EX-IMG GRADES

8.10 In the case of the ex-IMG employees, the Suffian Commission classified them into three broad categories, viz. the unskilled, semi-skilled and the skilled (artisan) employees. But apart from this broad classification there does not appear to have been any effort made to ensure that every class of employees, at least, had its own prospects of promotion. The Suffian Commission devised 15 wage scales for the use of these three classes of employees, but each of these wage scales appears to have been used both as a recruitment as well as a promotion grade. Some of the wage scales are in fact common to all the three classes, thus even blurring any distinctions that might exist as between them. Most of the wage scales have just about five steps, e.g. $140x5-160, and since it is not stated anywhere as to what are the promotion grades for it, the employees on such a salary scale can sometimes be

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expected to remain on it from the time of first recruitment until the time of retirement, some 30 or 35 years later. This kind of a situation can be most frustrating to both the employer and the employee concerned.

8.11 It is therefore felt that a major re-organization exercise will have to be carried cut at this level of employment if any degree of efficient utilization of labour is to be expected. Such a complete re-organization, which will involve a great deal of time-consuming detailed investigation, cannot be undertaken within the time-limits set for the completion of the Report. But at the same time it is realised that at least a start must be made so that the required re-organization will be carried out at the earliest possible opportunity, so as to ensure that there are distinguishable schemes of service, each with its own promotion prospects and avenues of other forms of advancement, for the more enterprising employees. In order to make such a start, the Suffian classification of the employees at this level has been accepted with certain modifications and a standard set of scales have been provided for each of them. These are the PS(K-3) scales for the unskilled employees, the PS(K+3) scales for the semi-skilled employees and the PS(K+6) scales for the skilled (artisan) employees. Each of these sets of scales are complete with a timescale, special grade and super-scales. But in view of the fact that, except in a very few cases, the existing promotion grades have not been easily identifiable, and since even where they have been identifiable, they do not seem to have been distinguished, wage-wise, in a meaningful way, it has been decided to place them all as far as was possible on the timescales concerned.

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8.12 It will, therefore, be seen from Chapter IV which deals with the application and conversion of clean wage scales that the following recommendations have been made:

(a) All employees in Group I, i.e. Categories A to D, should convert to PS(K-3) Time-scale;

(b) Employees in Group II, Categories A to E should convert to PS(K+3) Timescale, Categories F and G to PS(K+3) Special Grade and Category H to PS(K+3) Superscale D; and

(c) Group III, Categories A to G should convert to PS(K+6) Timescale, Categories H and I to PS(K+6) Special Grade, Categories J and K to PS(K+6) Superscale C, and Category L to PS(K+6) Superscale B.

8.13 Since what has been done is merely to enable a start to be made in the re-organization that has been suggested above, it is recommended that every grade of employment involved should be identified by means of a common scheme of service with its own promotion prospects, at the same time indicating, wherever possible, any other avenues of advancement that would be available for the employees concerned. This can be done fairly easily as soon as all the relevant information and data relating to the existing posts have been collected and collated. As soon as this is done, it is recommended that suitable promotion posts should be created, using the scales that have been provided for the purpose, for every grade of employment at this level.

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LEGAL SUPPORT SERVICES

8.14 At present there are no specialised support staff for the Judicial and Legal Service at the School Certificate and HSC/Diploma levels. All the staff required at these levels are drawn either from personnel of the General Clerical Officers service, with the relevant experience or from the Translator and Interpreters services. This is an unsatisfactory situation and should not be permitted to continue. It is accordingly recommended that two new services to be known as the Clerical Officers (Legal) Service using the SC(K) scales and a Legal Assistants service using HD(K) scales be created as follows:

(a) Clerical Officers (Legal) Service: The direct entry qualification into this service should be the Malaysian Certificate of Education. All Clerical Officers at present serving in the various courts, Bankruptcy Department and the Public Trustees Department should be given first opportunity to become members of the service. Interpreters and Translators should continue to remain separate support services at the same level.

(b) Legal Assistants: The direct entry qualification into the new service to be known as the Legal Assistant Service should be a Diploma in Public Administration or Management or the H.S.C. with a minimum of three years relevant experience. All the posts of Pegawai Amanah Raya, Penolong Pemengang Amanah

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Raya, Penolong Pegawai Kanan Amanah Raya, Pegawai Kebangkrapan, Penolong Pegawai Pemegang Harta, Penolong Pemegang Kanan Harta, Pembantu Portama Undang-undang, Penolong Guaman, Pembantu Kedua Undang-undang, Penolong Pendaftar, Pendaftar Kanan, and Pendaftar should be regraded as posts of the Legal Assistant service and the incumbents should form the nucleus of this new service. Serving employees from the Clerical Officers (Legal) Service, the Interpreters Service, and the Translators Service with the relevant training and a minimum of nine years' experience should also be eligible to be considered for appointment to this service.

PRINTING DEPARTMENT

8.15 An examination of the organisational structure of the Printing Department shows that the top Management level consists of the Ketua Pengarah, Timbalan Pengarah, Pengarah (one for the Supply Section and another for the Works Section) and the Penolong Pengarah all of whom belong to the Assistant Superintendent of Printing Scheme of Service. The Pengarah is the promotion grade for the Penolong Pengarah. The Penolong Pengarah is the existing recruitment grade in the Assistant Superintendent of Printing Scheme of Service. The present entry qualification for the Penolong Pengarah is a Pass Degree. The Ketua Pengarah and the Timbalan Pengarah are the promotion grades for the Pengarah. At present there does not seem to be any posts at the lower level of Management. To

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rectify this, it is recommended that a scheme of service for Pegawai Percetakan should be created at the lower level of Management and the relevant grades of posts created if necessary. The entry qualification should be the Higher School Certificate and it is accordingly proposed that the HD(MK) Timescale should be used for the recruitment grade in this new scheme of service. The promotion grade for this post should be a special grade, i.e. the HD(MK) Special Grade.

8.16 As regards the set-up of the technical staff it has been found that at present there is only one level of recruitment i.e. at the LCE level for the following posts : Compositor, Stereotyper, Book-binder, Assistant Camera Operator and Machineman. After confirmation in their service, they will all be eligible to apply for appointment to the posts of Linotype Operator, Monotype Operator and Proof-readers, when vacancies arise. Linotype operators, Monotype Operators and Proof-readers who are confirmed in their service and who have at least 10 years' experience may apply for supervisory posts such as Chief Assistant Chargeman, Chief Monotype Operator, Chief Stereotyper, etc. The promotion grades for the above posts would be the posts of Chief Linotype Operator, Chief Proof-reader, Machinery Supervisor and Chargeman.

8.17 This arrangement is rather unsatisfactory and hence it is recommended that there should be two recruitment grades based on two schemes of service, viz. the Printing Technician Scheme of Service and the Junior Printing Technician Scheme of Service. The Printing Technician Scheme of Service will use the SC(K+3) scale for its recruitment grade and the entry qualification will

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be the School Certificate or its equivalent. The Junior Printing Technician Scheme of Service will use the LC(K+3) scale for its recruitment grade and the entry qualification will be LCE or its equivalent. The regrading of existing posts based on the new schemes should be as follows:

	Existing Posts	Proposed Regrading
(a)	Compositor, Stereotyper, Bookbinder, Assistant Camera Operator and Machineman.	Regrade as Junior Printing Technician LC(K+3) Timescale. New promotion grade to be created with LC(K+3) Special Grade.
(b)	Camera Operator, Proof Reader, Monotype Operator, Linotype Operator, Second Assistant Chargeman.	Regrade as Printing Technician SC(K+3) Timescale.
(c)	Deputy Chief Linotype Operator, Deputy Chief Proof Reader, Assistant Chargeman.	Regrade as Printing Technician SC(K+3) Timescale.
(d)	Chief Monotype Operator, Chief Stereotyper, Chief Assistant Chargeman, Chief Linotype Operator, Chief Proof Reader, Chargeman, Machine Supervisor.	Regrade as Printing Technician SC(K+3) Special Grade.
(e)	Supervisor	Regrade as Printing Officer HD(MK) Timescale.

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MALAYAN RAILWAY

8.18 The present organisational structure of the Malayan Railway has six major Departments, viz. the General Manager's Office (Administration), Finance, Civil Engineering, Mechanical Engineering, Traffic and Stores. Departments. It is felt that certain basic re-organisation of the schemes of service affecting personnel in most of these Departments is necessary in order to enable recruitment and deployment of suitable personnel into the various levels of employment in the Malayan Railway. Such re-organisation could contribute to more effective and efficient management.

General Manager's Office

8.19 The Scheme of Service affecting most of the administrative personnel in Sub-Professional and Executive Group and above in this Department is the Pegawai Pentadbir Muda (Junior Administrative Officer) Scheme of Service. The existing structure of this scheme of service is as follows:

Pegawai Pentadbir Muda	- $400x25-450/ 480x40-1,000
Pegawai Pentadbir	- $1,000x50-1,250
Pegawai Pentadbir Kanan	- $1,250x50-1,500

The grade of Pegawai Pentadbir Muda is a recruitment grade for serving railway clerks, HSC/Diploma holders, and even Pass Degree holders. However, the stipulation of the Pass Degree qualification is unrealistic because the wage scale is unattractive for graduates. The majority of the personnel in the Pegawai Pentadbir Muda grade came from the Railway Clerical Service. In view of such a situation, it is recommended that the re-organisation of the existing

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scheme of service into two separate schemes should be as follows:

(a) The Pegawai Pentadbir Muda Scheme should incorporate the existing grades of Pegawai Pentadbir Muda ($400 - 1,000) and Pegawai Pontadbir ($1,000x50-1,250). The recruitment for this new scheme will be the HD(MK) Timescale. The entry qualification for this grade will be HSC or Diploma or Serving Railway Clerks with six years' experience. The promotion grade for this scheme will use the HD(MK) Special Grade scale. The post of Pegawai Pentadbir Muda and Pegawai Pentadbir will be regraded as HD(MK) Timescale and HD(MK) Special Grade respectively.

(b) The Pegawai Pentadbir scheme should incorporate the existing grade of Pegawai Pentadbir Kanan ($1,250x50-1,500) and the existing superscale posts in the administrative hierarchy. The recruitment grade for this new scheme will use the DF(MK) Timescale and the entry qualification will be a Pass Degree from a recognised University or its equivalent. The existing superscale posts of Pengurus Besar, Timbalan Pengurus Besar (Kakitangan), and the Pengarah Kakitangan are appointment posts and will continue to be filled by Senior Civil Servants. Promotion posts using the DF(MK) Special Grade scales should be created,

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where possible, to provide promotion prospects for the Pegawai Pentadbir on the DF(MK) Timescale.

8.20 Based on the two new schemes of service to be created the regrading of existing posts should be as follows:

Existing posts		Proposed Regrading
Pegawai Pentadbir Muda	-	Pegawai Pentadbir Muda HD(MK) Timescale.
Pegawai Pentadbir	-	Pegawai Pentadbir Muda HD(MK) Special Grade.
Pegawai Pentadbir Kanan	-	Pegawai Pentadbir DF(MK) Timescale.
Pegawai Kebajikan	-	Pegawai Pentadbir Muda HD(MK) Special Grade.

Civil Engineering Department

8.21 The scheme of service for Permanent Way Sub-Inspector and Overseer should be re-organised. Two new schemes of service should be created as follows:

(a) Permanent Way Sub-Inspector Scheme of Service using LC(K) Timescale as the recruitment grade. The entry qualification should be the LCE or its equivalent.

(b) Permanent Way Inspector Scheme of Service using the SC(K) Timescale as the recruitment grade. The entry qualification should be School Certificate or its equivalent. Serving Permanent Way Sub-Inspectors with six years' experience

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and training should also be eligible to be considered for appointment as Permanent Way Inspectors.

8.22 Based on the proposed new schemes of service to be created, the regrading of the relevant existing posts in this Department should be as follows:

Existing posts		Proposed Regrading
Permanent Way Sub-Inspector	-	Permanent Way Sub-Inspector LC(K) Timescale.
Permanent Way Inspector	-	Permanent Way Inspector SC(K) Timescale.
Chief Permanent Way Inspector	-	Permanent Way Inspector SC(K) Superscale E.
Permanent Way Superintendent	-	Permanent Way Inspector SC(K) Superscale D.

Stores Department

8.23 This Department is headed by a Stores Superintendent (Superscale 'G') and supported by the Assistant Stores Superintendent, Stores Officer, and Assistant Stores Officer. It is recommended that the existing set-up into two separate schemes of service should be re-organised as follows:

(a) Assistant Stores Officer Scheme of Service with the recruitment grade using the HD(K) Timescale. Entry qualification should be Diploma in Business Studies, or Institute of Purchasing and Supply or other equivalent qualifications. This scheme should have its own promotion grade, i.e. HD(K) Special Grade.

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(b) Stores Officer Scheme of Service with the recruitment grade using the DF(MK) Timescale. Entry qualification should be a Pass Degree from a recognised University or its equivalent. The existing post of Stores Officer, Assistant Store Superintendent, and Store Superintendent should be incorporated into this Scheme of Service.

8.24 Based on the above schemes of service to be created, the regrading of existing posts should be as follows:

Existing Posts	Proposed Regrading
Assistant Store Officer	- Assistant Stores Officer HD(K) Timescale.
Stores Officer	- Stores Officer DF(MK) Timescale.
Assistant Stores Superintendent	- Stores Officer DF(MK) Timescale.
Stores Superintendent	- Stores Officer DF(MK) Superscale 'G'

Traffic Department

8.25 The personnel in this Department are governed by Schemes of Service such as Traffic Officer, Assistant Traffic Officer and an assortment of individual schemes such as Ticket Inspector, Guard, Yard Foreman, Signalman, Shunter and Checker. In view of this, all the existing schemes should be re-organised into four separate schemes as follows:

(a) Traffic Officer's scheme of service with the recruitment grade using the DF(MK) Timescale. Entry qualification should

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be a Pass Degree from a recognised University or its equivalent, or Membership of the Chartered Institute of Transport (UK).

(b) Assistant Traffic Officer Scheme of Service with the recruitment grade using the HD(K) Timescale. Entry qualification should be a Diploma in Public Administration or Business Studies from MIT or its equivalent, or pass Part I and Part II of the Institute of Transport (UK) Professional Examination.

(c) Railway Assistant Scheme of Service with the recruitment grade using the SC(K) Timescale, entry qualification will be School Certificate or its equivalent.

(d) Junior Railway Assistant Scheme of Service with the recruitment grade using the LC(K) Timescale. Entry qualification will be Lower School Certificate (LCE) or its equivalent.

8.26 Based on the above schemes of service the existing posts in the Traffic Department can be regraded as follows:

Existing Posts	Proposed Regrading
All Superscale posts in the Traffic Officer's Scheme	- Convert to corresponding DF(MK) Superscale Grades.
Traffic Officer ($750 - 1,800)	- Traffic Officer DF(MK) Timescale.

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Existing Posts	Proposed Regrading
Traffic Officer, Senior Scale	- Traffic Officer DF(MK) Special Grade.
Assistant Traffic Officer($400-1,000)	- Assistant Traffic Officer HD(K) Timescale.
Assistant Traffic Officer ($1,000-1,250)	- Assistant Traffic Officer HD(K) Special Grade.
Assistant Traffic Officer ($1,250-1,500)	- Assistant Traffic Officer HD(K) Special Grade.
Yard Foreman (Timescale)	- Railway Assistant SC(K) Timescale.
Yard Foreman (Special Grade)	- Railway Assistant SC(K) Timescale.
Yard Master	- Railway Assistant SC(K) Special Grade.
Signalman (Timescale)	- Junior Railway Assistant LC(K) Timescale.
Signalman (Special Grade)	- Railway Assistant SC(K) Timescale.
Signalman (Superscale)	- Railway Assistant SC(K) Timescale.
Timetaker (Timescale)	- Junior Railway Assistant LC(K) Timescale.
Chief Timetaker	- Railway Assistant SC(K) Timescale.
Guard (Timescale)	- Junior Railway Assistant LC(K) Timescale.
Guard (Special Grade)	- Railway Assistant SC(K) Timescale.
Ticket Inspector (Timescale)	- Railway Assistant SC(K) Timescale.

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Existing Posts	Proposed Regrading
Ticket Inspector (Special Grade)	- Railway Assistant SC(K) Timescale.
Shunter (Timescale)	- Junior Railway Assistant LC(K) Timescale.
Shunter (Special Grade)	- Junior Railway Assistant LC(K) Timescale.
Checker	- Junior Railway Assistant LC(K) Timescale.

MINISTRY OF INFORMATION

8.27 Having examined the existing establishment structure in the Commercial Division, Licensing Division, Filem Negara Malaysia, the Broadcasting Department and Information Department, all of which are under the Ministry of Information, it is felt that re-organisation of certain existing schemes of service as well as the creation of new ones are necessary in order to have a more effective and efficient management. As such the re-organisation of certain existing schemes of service or the creation of new ones, where necessary, should be as explained in the paragraphs that follow. An outstanding feature of the re-organisation would be the creation of a National Broadcasting Service based on the DF(MK) wage scales.

Commercial Division

8.28 The existing scheme of service in this Division is the Commercial Broadcasting Officer's Scheme of Service. This scheme should be re-organised as follows:

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Existing Posts	Proposed Regrading
Assistant Commercial Broadcasting Officer($275-650)	- Commercial Assistant SC(K) Timescale.
Assistant Commercial Broadcasting Officer($600-750)	- Commercial Assistant SC(K) Special Grade.
Senior Assistant Commercial Broadcasting Officer ($800 - 1,000)	- Assistant Commercial Broadcasting Officer HD(K) Timescale.
Commercial Broadcasting Officer ($1,000x50-1,250) ($1,250x50-1,500)	- Assistant Commercial Broadcasting Officer HD(K) Special Grade.
Commercial Broadcasting Officer Superscale 'J'	- Commercial Broadcasting Officer (National Broadcasting Service) DF(MK) Special Grade.
Commercial Broadcasting Officer Superscale 'G'	- Commercial Broadcasting Officer (National Broadcasting Service) DF(MK) Superscale 'G'.

8.29 From the above it can be seen that the new schemes of service to be created as a result of the re-organisation of existing schemes would be as follows:

(a) Commercial Assistant Scheme of Service with SC(K) Timescale as the recruitment grade and SC(K) Special Grade as the promotion grade. Entry qualification for this scheme of service should be School Certificate or its equivalent.

(b) Assistant Commercial Broadcasting Officer Scheme of Service with HD(K) Timescale as the recruitment grade and HD(K) Special Grade as the

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promotion grade. Entry qualification should be a Diploma in Business Studies from MIT or equivalent qualifications. Serving Commercial Assistants with 9 years' relevant training and experience will be eligible to be considered for appointment as Assistant Commercial Broadcasting Officer.

(c) The posts of Commercial Broadcasting Officers, Superscale 'J' and 'G' should be regraded as posts of the proposed National Broadcasting Service.

Licensing Division

8.30 The existing Wireless Inspection Officer's Scheme of Service should be re-organised as follows:

Existing Posts	Proposed Regrading
Wireless Inspection Officer, Timescale	- Wireless Inspection Officer SC(K) Timescale.
Senior Wireless Inspection Officer, Grade IV	- Wireless Inspection Officer SC(K) Special Grade.
Senior Wireless Inspection Officer, Grade III	- Senior Wireless Inspection Officer HD(MK) Timescale.
Senior Wireless Inspection Officer, Grade II	- Senior Wireless Inspection Officer HD(MK) Special Grade.
Senior Wireless Inspection Officer, Grade I	- Senior Wireless Inspection Officer HD(MK) Special Grade.
Chief Wireless Inspection Officer, Superscale 'J'	- Chief Wireless Inspection Officer (National Broadcasting Service) DF(MK) Special Grade.

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8.31 Two new Schemes of Service should be created as a result of the above re-organisation, viz. :

(a) The Wireless Inspection Officer Scheme of Service using the SC(K) Timescale as the recruitment grade and the SC(K) Special Grade as the promotion grade. Entry qualification for this scheme should be a School Certificate or its equivalent; and

(b) The Senior Wireless Inspection Officer Scheme of Service using the HD(MK) Time-scale as the recruitment grade and the HD(MK) Special Grade as the promotion grade. Entry qualification will be HSC or its equivalent. Serving Wireless Inspection Officers with the relevant training and six years' experience are also eligible to be considered for appointment.

Filem Negara Malaysia

8.32 The proposed re-organisation of Schemes of Service will affect the Film Production Officers Scheme of Service. It is recommended that the existing Film Production Officer Scheme should be re-organised as follows:

(a) Junior Film Production Officer Scheme of Service using the HD(MK) Timescale as the recruitment grade and the HD(MK) Special Grade as the promotion grade. Entry qualification should be the HSC or its equivalent.

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(b) Film Production Officer Scheme of Service using the DF(MK) Timescale as the recruitment grade. Entry qualification should be a Pass Degree from a recognised University or its equivalent.

8.33 Existing posts covered by the existing Film Production Officers Scheme of Service should thus be regraded as follows:

Existing Posts		Proposed Regrading
Film Production Officer, Grade III	-	Junior Film Production Officer HD(MK) Timescale.
Film Production Officer, Grade II	-	Film Production Officer (National Broadcasting Service) DF(MK) Timescale.
Film Production Officer, Grade I	-	Film Production Officer (National Broadcasting Service) DF(MK) Timescale.
Film Production Officer, Superscale 'J'	-	Film Production Officer (National Broadcasting Service) DF(MK) Special Grade.
Controller of Production Operation	-	Controller of Production Operation (National Broadcasting Service) DF(MK) Superscale 'G'.
Director-General Filem Negara	-	Director General Filem Negara (National Broadcasting Service) DF(MK) Superscale 'F'.

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Broadcasting Department

8.34 The existing Schemes of Service that require re-organisation in the Department of Broadcasting are as follows:

(a) Assistant Producer
(b) Broadcasting Assistant
(c) News Editor
(d) Film Supplier
(e) Reporter
(f) Film Cameraman
(g) Artist
(h) Photographer
(i) Musician.

8.35 It is recommended that the above schemes of service should be re-organised into separate, but related schemes, where appropriate, for the recruitment grades. The existing grades in the existing schemes of service should be regraded as suggested in the paragraphs that follow.

8.36 A new Scheme of Assistant Producer should be created with the Wage Scale HD(K) Timescale as the recruitment grade. Entry qualification should be a Diploma in Mass Communications from MIT or other relevant qualifications. The posts of Producer and Assistant Controller of Programmes (TV) should be regraded as posts of the National Broadcasting Service on the wage scale of DF(MK) Timescale. Serving Degree holders in the grade of Assistant Producer HD(K) Timescale should be given first preference for appointment to the post of National Broadcasting Officer DF(MK) Timescale before any further

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recruitment to this grade takes place. The regradings involved would thus be as follows:

Existing Posts		Proposed Regrading
Assistant Producer	-	Assistant Producer HD(K) Timescale.
Producer	-	Producer (National Broadcasting Service) DF(MK) Timescale.
Assistant Controller of Programmes (TV)	-	Assistant Controller of Programmes (National Broadcasting Service) DF(MK) Timescale.

8.37 Two new schemes should be created, viz. a Broadcasting Assistant Scheme of Service using SC(K) Timescale as the recruitment grade and a Senior Broadcasting Assistant Scheme of Service using HD(K) Timescale as the recruitment grade. The entry qualification for the Broadcasting Assistant Scheme should be the School Certificate or its equivalent, and for the Senior Broadcasting Assistant Scheme a Diploma in Mass Communications from MIT or other relevant qualifications. The posts of Programme Assistant and Assistant Controller of Programmes (Radio) should be regraded as posts of the National Broadcasting Service on the wage scale of DF(MK) Timescale. Serving Degree holders in the grade of Senior Broadcasting Assistant HD(K) Timescale should be given first preference for appointment to the post of National Broadcasting Officer DF(MK) Timescale before any further recruitment to this grade takes place. The regradings involved would thus be as follows:

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Existing Posts		Proposed Regrading
Broadcasting Assistant, Grade IV	-	Broadcasting Assistant SC(K) Timescale.
Broadcasting Assistant, Grade III	-	Broadcasting Assistant SC(K) Timescale.
Broadcasting Assistant, Grade II	-	Senior Broadcasting Assistant HD(K) Timescale.
Broadcasting Assistant, Grade I	-	Senior Braodcasting Assistant HD(K) Timescale.
Programme Assistant	-	Programme Assistant (National Broadcasting Service) DF(MK) Timescale.
Assistant Controller of Programmes (Radio)	-	Assistant Controller of Programmes (National Broadcasting Service) DF(MK) Timescale.

8.38 A new scheme of Assistant News Editor should be created with the recruitment grade using the HD(K) Time-scale. Entry qualification should be a Diploma in Journalism from MIT or its equivalent. The posts of News Editor, Senior News Editor, Controller of News and Director of News should be regraded as posts of the National Broadcasting Service. The regradings involved would thus be as follows:

Existing Posts		Proposed Regrading
Assistant News Editor	-	Assistant News Editor HD(K) Timescale.
News Editor	-	News Editor (National Broadcasting Service) DF(MK) Timescale.

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Existing Posts		Proposed Regrading
Senior News Editor	-	Senior News Editor (National Broadcasting Service) DF(MK) Timescale.
Controller of News Superscale 'J'	-	Controller of News (National Broadcasting Service) DF(MK) Special Grade.
Director of News Superscale 'G'	-	Director of News (National Broadcasting Service) DF(MK) Superscale 'G'.

8.39 Three new schemes of service should be created, viz. a Scheme for Junior Film Supply Officers with the recruitment grade using LC(K) Timescale, a scheme for Film Supply Officers with the recruitment grade using SC(K) Timescale, and a scheme for Senior Film Supply Officers with the recruitment grade using the HD(MK) Timescale. The post of Head of Film Supplier should be regraded as a post of the National Broadcasting Service. The entry qualifications for Junior Film Supply Officer, Film Supply Officer, and Senior Film Supply Officer Schemes of Service should be the LCE, School Certificate, and HSC respectively. The regradings involved would thus be as follows:

Existing Posts		Proposed Regrading
Film Supplier Grade IV	-	Junior Film Supply Officer LC(K) Timescale.
Film Supplier Grade III	-	Film Supply Officer SC(K) Timescale.
Film Supplier Grade II	-	Film Supply Officer SC(K) Special Grade.

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Existing Posts		Proposed Regrading
Film Supplier Grade I	-	Senior Film Supply Officer HD(MK) Timescale.
Senior Film Supplier	-	Senior Film Supply Officer HD(MK) Special Grade.
Head of Film Supplier Superscale 'J'	-	Head of Film Supplier (National Broadcasting Service) DF(MK) Special Grade.

8.40 Two new Schemes of Service should be created, viz. a Reporter Scheme of Service using the SC(K) Timescale for the recruitment grade and a Senior Reporter Scheme of Service using the HD(K) Timescale for the recruitment grade. The entry qualification for the Reporter Scheme should be the School Certificate or its equivalent, and for the Senior Reporter Scheme a Diploma in Journalism from MIT or its equivalent. The post of Chief Reporter should be regraded as a post of the National Broadcasting Service DF(MK) Timescale. The regradings involved would thus be as follows:

Existing Posts		Proposed Regrading
Assistant Reporter	-	Reporter SC(K) Timescale.
Reporter Grade III	-	Reporter SC(K) Timescale.
Reporter Grade II	-	Senior Reporter HD(K) Timescale.
Reporter Grade I	-	Senior Reporter HD(K) Timescale.
Chief Reporter	-	Chief Reporter (National Broadcasting Service) DF(MK) Timescale.

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8.41 Three new Schemes of Service should be created, viz. one each for Assistant Film Cameraman, Film Cameraman and Senior Film Cameraman using the LC(K+3) Timescale, SC(K+3) Timescale and the HD(K) Timescale respectively for their recruitment grades. The entry qualifications should be LCE for the Assistant Film Cameraman, School Certificate or its equivalent for the Film Cameraman and Diploma in the relevant field for Senior Film Cameraman. Serving Film Cameraman SC(K+3) Timescale with the relevant training and nine years' experience in that grade should also be eligible to be considered for appointment to Senior Film Cameraman HD(K) Timescale. The regradings of existing posts that would be involved would be as follows:

Existing Posts		Proposed Regrading
Assistant Film Cameraman ($180 - 200)	-	Assistant Film Cameraman LC(K+3) Timescale.
Assistant Film Cameraman ($220 - 500)	-	Film Cameraman SC(K+3) Timescale.
Film Cameraman Grade III	-	Film Cameraman SC(K+3) Timescale.
Film Cameraman Grade II	-	Film Cameraman SC(K+3) Special Grade.
Film Cameraman Grade I	-	Senior Film Cameraman HD(K) Timescale.
Chief Film Cameraman	-	Chief Film Cameraman HD(K) Special Grade.

8.42 Three new Schemes of Service should be created, viz. for the Assistant Artist, Artist and Designer using the LC(K+3) Timescale, SC(K+3) Timescale and the HD(K) Timescale respectively for their recruitment grades. The entry qualification should be the LCE for the Assistant Artist, School Certificate or its equivalent for the

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Artist, and Diploma in Graphic Art and Design from MIT for the Designer. The post of Head, Design and Staging should be regraded as a post of the National Broadcasting Service DF(MK) Superscale 'G'. The regradings that would be involved would thus be as follows:

Existing Posts		Proposed Regrading
Assistant Artist (Set/ Graphic) ($180-200)	-	Assistant Artist (Set/ Graphic) LC(K+3) Timescale.
Assistant Artist (Set/ Graphic) ($220-500)	-	Artist (Set/Graphic) SC(K+3) Timescale.
Artist (Set/Graphic)	-	Artist (Set/Graphic) SC(K+3) Timescale.
Designer (Set/Graphic)	-	Designer (Set/Graphic) HD(K) Timescale.
Senior Designer (Set/ Graphic)	-	Senior Designer (Set/ Graphic) HD(K) Special Grade.
Supervisor, Design and Staging	-	Supervisor, Design and Staging HD(K) Special Grade.
Head, Design and Staging	-	Head, Design and Staging (National Broadcasting Service) DF(MK) Superscale 'G'.

8.43 The existing Schemes of Service for Photographer is a common Scheme of Service covering the relevant personnel in the Department of Broadcasting as well as the Department of Information. As a result of regrading three new schemes of service should be created - Assistant Photographer, Photographer, and Photo Editor using the LC(K+3) Timescale, SC(K+3) Timescale and the HD(K) Time-scale respectively. The entry qualification should be

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LCE for the Assistant Photographer, School Certificate or its equivalent for the Photographer and Diploma in the relevant field for the Photo Editor. Photographers on the SC(K+3) Timescale with the relevant training and nine years' experience should also be eligible to be considered for appointment as Photo Editors. The regradings that would thus be involved are as follows:

Existing Posts		Proposed Regrading
Assistant Photographer ($180 - 200)	-	Assistant Photographer LC(K+3) Timescale.
Assistant Photographer	-	Photographer SC(K+3) Timescale.
Photographer	-	Photographer SC(K+3) Timescale.
Senior Photographer	-	Senior Photographer SC(K+3) Special Grade.
Photo Editor	-	Photo Editor HD(K) Timescale.
Photo Supervisor	-	Photo Supervisor HD(K) Special Grade.

8.44 A new Scheme of Service for Musician should be created based on the HD(K) wage scales. It is difficult to determine an appropriate academic or professional entry qualification for this scheme of service because a high degree of performance, more than qualification, will continue to be the basic requirement to become a member of the RTM Orchestra. It is accordingly recommended that the following scales should be applied for the present grades of musicians:

Existing Posts		Proposed Regrading
Musician	-	Musician HD(K) Timescale.

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Existing Posts		Proposed Regrading
Senior Musician	-	Senior Musician HD(K) Special Grade.
Pianist/Arranger	-	Pianist/Arranger HD(K) Special Grade.
Conductor/Arranger	-	Conductor/Arranger HD(K) Superscale 'F'

Information Department

8.45 The existing Schemes of Service that require re-organisation in the Department of Information are as follows:

(a) Information Officer

(b) Press Liaison Officer

(c) Editor (Publications)

(d) Artist.

8.46 Two new Schemes of Service should be created, one each for the Junior Information Officers and Information Officers using the HD(K) Timescale and the DF(MK) Time-scale respectively as recruitment grades. The entry qualification should be a relevant Diploma from MIT for the Junior Information Officer and Degree in Mass Communications from a recognised University for the Information Officer. Serving Degree holders on the post of Junior Information Officer HD(K) Timescale should then be given first preference for appointment to the post of Information Officer DF(MK) Timescale before any further recruitment to this grade takes place. It is accordingly recommended that the new clean wage scales should be as follows:

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Existing Posts		Proposed Regrading
Information Officer, Timescale	-	Junior Information Officer HD(K) Timescale.
Information Officer, Special Grade	-	Information Officer DF(MI) Timescale.
Information Officer, Superscale 'J'	-	Information Officer DF(MK) Special Grade.
Information Officer, Superscale 'G'	-	Information Officer DF(MK) Superscale 'G'.
Deputy Director-General of Information Services Superscale 'F'	-	Deputy Director-General of Information Services DF(MK) Superscale 'F'.
Director-General of Information Services Superscale 'D'	-	Director-General of Information Services DF(MK) Superscale 'D'.

8.47 Two new Schemes of Service should be created, one each for the Junior Press Liaison Officers and Press Liaison Officers using the HD(K) Timescale and DF(MK) Timescale respectively as recruitment grades. The entry qualification should be the relevant Diploma from MIT for the Junior Press Liaison Officer and Degree in Mass Communications from a recognised University for the Press Liaison Officer. It is accordingly recommended that the new clean wage scales for existing posts should be as follows:

Existing Posts		Proposed Regrading
Press Liaison Officer ($880 - 1,200) (Penyandang)	-	Junior Press Liaison Officer HD(K) Timescale.
Press Liaison Officer ($1,000 - 1,250)	-	Press Liaison Officer DF(MK) Timescale.
Press Liaison Officer ($1,250 - 1,500)	-	Press Liaison Officer DF(MK) Timescale.

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Existing Posts	Proposed Regrading
Press Liaison Officer ($950/1,000)	- Junior Press Liaison Officer HD(K) Timescale.
Press Liaison Officer ($1,500)	- Press Liaison Officer DF(MK) Timescale.
Deputy Head of Division Superscale 'J'	- Press Liaison Officer DF(MK) Special Grade.
Head of Division Superscale 'G'	- Press Liaison Officer DF(MK) Superscale 'G'.

8.48 Two new Schemes of Service should be created, one each for the Junior Publication Officer and Publication Officer using HD(K) Timescale and DF(MK) Timescale respectively as recruitment grades. The entry qualification should be a relevant Diploma from MIT for the Junior Publication Officer and Degree in Mass Communications from a recognised University for the Publication Officer. It is accordingly recommended that the new clean wage scales for existing posts should be as follows:

Existing Posts	Proposed Regrading
Sub-Editor	- Sub-Editor (Junior Publication Officer) HD(K) Timescale.
Assistant Editor	- Assistant Editor (Junior Publication Officer) HD(K) Timescale.
Editor	- Editor (Junior Publication Officer) HD(K) Timescale.
Feature Writer	- Feature Writer (Publication Officer) DF(MK) Timescale.

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Existing Posts	Proposed Regrading
Senior Editor	- Senior Editor (Publication Officer) DF(MK) Timescale.
Head of Division	- Head of Division (Publication Officer) DF(MK) Special Grade.

8.49 The regrading of the existing posts covered by the Artists scheme of service in the Information Department should be the same as the regrading done for Artists in the Department of Broadcasting. However, the post of Head of Visual Production Division Spuerscale 'G' should be graded as DF(MK) Superscale 'G'.

THE FIRE SERVICES

8.50 The personnel in the Fire Services fall into two broad categories, viz. the Rank and File and the Officers. The Rank and File consists of the Ahli Bomba, Ahli Bomba Kanan and Ketua Ahli Bomba. Recruitment is at the Ahli Bomba grade and the entry qualification is the Lower Certificate of Education. Ahli Bomba Kanan and above are promotion grades. For the Officers, there are two levels of recruitment, one at the Pegawai Bomba level which requires a Malaysian Certificate of Education and the other at the Penguasa Bomba level which requires a Pass Degree from any recognised University.

8.51 A careful examination of the personnel needs of the Fire Services indicates that there should be four levels of recruitment, two at the Rank and File level and two at the Officers level as follows:

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(a) <u>The Rank and File</u>: At the Rank and File level, recruitments should be to the Ahli Bomba and the Ahli Bomba Kanan grades with different entry qualification as follows:

(i) <u>Ahli Bomba</u>: This should remain a recruitment grade and the entry qualification should also remain the Lower Certificate of Education. As the Ahli Bomba Kanan would be another recruitment grade, a new promotion grade, i.e. a Special Grade should be created for the Ahli Bomba. It is accordingly recommended that the LC(K) Timescale and Special Grade should be used for them.

(ii) <u>Ahli Bomba Kanan and its equivalents:</u> This grade should be another recruitment grade and the entry qualification should be the Malaysia Certificate of Education. Ketua Ahli Bomba and its equivalent up to Pegawai Bomba II and ite equivalent should then become promotion grades for them. The designation of Ahli Bomba Kanan should be changed to Pegawai Bomba and the promotion grades should follow accordingly. Ahli Bomba should then be considered for appointment

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as Pegawai Bomba. It is recommended that the SC(KU) Timescale (Segment Bawah) should be used for the Ahli Bomba Kanan and its equivalent and the SC(KU) Timescale (Segment Tengah) for Ketua Ahli Bomba and its equivalent and Pegawai Bomba Tingkatan II.

(b) The Officers: There should be two recruitment grades at the Officers level as follows:

(i) A new recruitment grade should be at the Penolong Penguasa level for Higher School Certificate holders. The HD(MK) Timescale is accordingly recommended for this grade. Pegawai Bomba with six years' experience may also be considered for appointment to this grade. Existing Pegawai Bomba Tingkatan I will also convert to this grade.

(ii) The other recruitment grade should be at the Penguasa level for which it is recommended the DF(MK) Timescale. Honours Degree holders may enter the scale

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at the 4th step. The Penolong with nine years experience may also be considered for appoint-ment to this grade.

THE PRISONS DEPARTMENT

8.52 The personnel in the Prisons Department, as in the case of the Fire Services, also fall into two broad categories, viz. the Rank and File and the Officer grades. The Rank and File consists of the Pegawai Penjara II, Pegawai Penjara I, Pegawai Penjara Kanan, Ketua Pegawai Penjara and Ketua Besar Pegawai Penjara. The recruitment grade is the Pegawai Penjara II and the entry qualification is the Lower Certificate of Education. The rank of Pegawai Penjara I and above are promotion grades. The officers consist of the Pegawai Besar, Penolong Penguasa Penjara, Timbalan Penguasa Penjara, Penguasa Penjara, Penguasa Kanan Penjara, Pengarah Penjara, Timbalan Ketua Pengarah Penjara and Ketua Pengarah Penjara. There are two recruitment grades at this level. The Pegawai Besar is a recruitment grade for those who possess the Malaysian Certificate of Education, and the Penolong Penguasa is a promotion grade for candidates with a Pass Degree from any recognised University. The Pegawai Besar can be considered for appointment as Penolong Penguasa Penjara while the ranks of Timbalan Penguasa Penjara and above are promotion grades for the Penolong Penguasa Penjara.

8.53 An examination of the personnel needs of the Prisons Department indicates that it too should have four levels of recruitment, two at the Rank and File level, and

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two at the Officers level as follows:

(a) The Rank and File:

(i) Pegawai Penjara II: This should remain a recruitment grade and the entry qualification should also continue to be the Lower Certificate of Education. The designation of Pegawai Penjara II should, however, be changed to Pegawai Penjara Muda and in addition a promotion grade i.e. a Special Grade should be created. Accordingly, it is recommended that the LC(K) Time-scale and the LC(K) Special Grade should be used for the newly designated Pegawai Penjara Muda.

(ii) Pegawai Penjara I: The other recruitment level for the Rank and File should be at the present Pegawai Penjara I grade. The entry qualification should be the Malay-sian Certificate of Education. The title of Pegawai Penjara I should be changed to that of Pegawai Penjara. The other grades in the Rank and File should then remain as the promotion grades for Pegawai Penjara. However, Pegawai Penjara Muda with six years' experience may be considered for appointment as Pegawai Penjara. It is accordingly recommended that

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the SC(KU) Timescale (Segment Bawah) should be used for the Pegawai Penjara Tingkatan I. Pegawai Penjara Kanan, Ketua Pegawai Penjara and Pegawai Besar Penjara should convert to the SC(KU) Timescale (Segment Tengah) and Ketua Besar Pegawai Penjara to the SC(K) Special Grade.

(b) The Officers: At the Officers level, there should be two recruitment grades, i.e. :

(i) The first at the level of the Penolong Penguasa for which the entry qualification should be the Higher School Certificate or its equivalent. The HD(MK) Timescale is accordingly recommended for this Grade.

Candidates with a Diploma in Public Administration should enter the scale at the 4th step. Pegawai Penjara with six years' experience may also be considered for appointment to this grade.

(ii) The second at the level of the Penguasa, for which the entry qualification should be a pass Degree. The DF(MK) Timescale is accordingly recommended for the grade. Candidates with an

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Honours Degree should enter the scale at the 4th step. Penolong Penguasa with nine years' experience may also be considered for appointment to this grade.

THE ARMED FORCES

8.54 It is felt that the personnel in the Armed Forces can be divided into the two broad categories of the Other Ranks and Commissioned Officers. The category of the Other Ranks consists of Recruits, Lance Corporals, Corporals, Sergeants, Staff Sergeants and Warrant Officers I and II. The entry qualification for the Recruits varies depending on the branch chosen as shown below:

(a) The Army:

(i) Infantry - Standard Six

(ii) Technical Livision - Lower Certificate of Education

(iii) Education Directorate - Malaysian Certificate of Education.

(b) The Navy:

(i) Seaman - Form Two

(ii) Technical Division - Lower Certificate of Education

(iii) Artificer Apprentice - Malaysian Certificate of Education.

(c) The Air Force:

(i) Airman - Form Two

(ii) Operational, Engineering Supply and Administrative Divisions - Lower Certificate of Education.

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8.55 The Commissioned Officers consist of the Second Lieutenants, Lieutenants, Captains, Majors, Lieutenant Colonels, Colonels, Brigadier Generals, Major Generals, Lieutenant Generals and the General. The recruitment grade is at the Second Lieutenant level and the entry qualification is the Malaysian Certificate of Education or its equivalent. The rank of Lieutenant is a time promotion rank and as such a Second Lieutenant, on a short Service Commission, after two years, will automatically become a Lieutenant while a Second Lieutenant on a regular Commission will become a Lieutenant in six months. However, the rank of Captain and above are promotion grades.

8.56 Based on a very careful consideration of the upgrading needs of the Armed Forces it is recommended that the recruitment of personnel into the Armed Forces should be at four levels as follows:

(a) The Recruit: This shall continue to remain a recruitment grade and the entry qualification should continue to be lower than the Lower Certificate of Education. It is accordingly recommended that the LC(K-3) Timescale should be used for them. All serving Recruits and Lance Corporals should convert to the LC(K-3) Timescale.

(b) The Corporal: The rank of Corporal should be made into another recruitment grade for the Rank and File and the entry qualification should be the Malaysian Certificate of Education. Accordingly the SC(KU) Timescale (Segment Bawah) has been recommended for them, as a transitional measure, so that all serving

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Corporals can convert to it irrespective of whether or not they possess the School Certificate. The ranks of Sergeants, Staff Sergeants and Warrant Officers should then remain as promotion grades, with the Sergeants and Staff Sergeants converting the Segment Pengah and Atas respectively of SC(KU) Timescale and the Warrant Officers to the SC(K) Special Grade. It is noted that in the Army there are two grades of Warrant Officers, i.e. Warrant Officer I and Warrant Officer II, whereas in the Navy and the Air Force there is only one such grade. There does not appear to be any need for two grades of Warrant Officer in any of the three branches of the Armed Forces and accordingly it is recommended that Warrant Officers I and II in the case of the Army should be merged into one grade. Accordingly, for purposes of conversion, it has been recommended that both Warrant Officers I and II should convert to the same scale in all the three branches of the Armed Forces.

(c) The third recruitment grade should remain at the Second Lieutenant level. The entry qualification should, however, be raised to that of the Diploma in Public Administration or Management. It has accordingly been recommended that the HD(K) Timescale should be used for them.

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Since the rank of Lieutenant is at present a time promotion grade for the Second Lieutenant, both the Lieutenant and Second Lieutenant should convert to the HD(K) Timescale, and a new promotion grade should, therefore, be created for them.

(d) The fourth recruitment grade should be that of the Captain for which the entry qualification should be a Pass Degree. It has accordingly been recommended that the DF(MK) Timescale should be used for them. Second Lieutenants with nine years' experience should then be eligible for appointment to the grade of Captain.

THE POLICE FORCE

8.57 It is felt that the Police Force can be divided into three categories. At the lowest level is the Rank and File, which consists of the Constables, Corporals, Sergeants, Sergeant Majors and Sub-Inspectors. The recruitment grade at this level is the Constable and the entry qualification is the Lower Certificate of Education. The ranks of Corporal to Sub-Inspector are promotion grades, and those holding the rank of Sergeant and above may be considered for appointment as Inspectors. At the intermediate level is the Inspectorate, which consists of the Inspectors and Chief Inspectors. The latter is not a promotion grade for the former as all Inspectors who have crossed the second departmental examination automatically become Chief Inspectors. As such, Inspectors and Chief Inspectors perform the same duties and have similar

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responsibilities. The entry qualification into the Inspectorate is the Malaysian Certificate of Education (School Certificate). Under the existing scheme, however, Inspectors may be considered for appointment as Assistant Superintendents of Police. Finally, at the top level are the Supervisory grades, which consist of the Assistant Commissioners, Senior Assistant Commissioners, Deputy Commissioners, Deputy Inspector-General and Inspector-General. Recruitment at this level is at the Assistant Superintendent grade and the entry qualification is a Pass Degree from any recognised University, with Honours Degree holders being given a higher point of entry. The ranks of Deputy Superintendent and above in Peninsular Malaysia are promotion grades. This is not the case in Sarawak and Sabah. In Sarawak, the Deputy Superintendent and Superintendent are not promotion grades, and as such an Assistant Superintendent in the course of time will automatically become a Superintendent. In Sabah the Deputy Superintendent is not a promotion grade and therefore an Assistant Superintendent in due course automatically becomes a Deputy Superintendent.

8.58 A careful examination has been made of the types of personnel that should be recruited into the Police Force bearing in mind the need to have a more effective and efficient Police Force to meet the demands of an increasingly sophisticated community. As a result of this it is felt that direct recruitment into the Police Force should henceforth be at four levels, with certain modifications as shown below:

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(a) The Rank and File: It is recommended that recruitment into the Rank and File should be at two levels, i.e. at the Constable and the Corporal levels with different entry qualifications as follows:

(i) Constable level: The Lower Certificate of Education should continue to remain as the entry qualification for the Constables. As the rank of Corporal should no longer be a promotion grade for the Constables, a new promotion grade for the Constables should therefore be created. This new grade of employees may be called Special grade or by any other name. Constables may then be considered for appointment as Corporals. It has accordingly been recommended that the LC(K) Timescale should be used for the Constables and the LC(K) Special Grade for the promotion grade for Corporals Timescale.

(ii) Corporal: The entry qualification for the new recruitment grade of Corporals should be the Malaysian Certificate of Education or its equivalent.

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It has accordingly been recommended that the SC(KU) Timescale (Segment Bawah) should be used for the new recruitment grade of Corporals as a transitional measure so that all serving Corporals, irrespective of whether or not they possess the School Certificate, may convert to it. Constables with with six years' experience may also be considered for appointment as Corporals. The rank of Sergeant to Sub-Inspector should remain as promotion grades for the Corporals. Sergeants and Sergeant Majors should convert to SC(KU) Timescale Segment Tengah and Atas respectively and Sub-Inspectors to SC(K) Special Grade.

(b) <u>The Inspectors</u>: The entry qualification for Inspectors should then be raised from the Malaysian Certificate of Education to a Diploma in Public Administration or Management. HSC holders with three years' experience within the force may also be appointed as Inspectors. It has accordingly been recommended that the HD(K) Timescale would be used for them. Corporals with nine years' experence may also be considered for appointment as

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Inspectors. Since the present rank of Chief Inspector is a time promotion grade, both serving Inspectors and Chief Inspectors shall convert to the HD(K) Timescale. A new promotion grade of Chief Inspectors should then be created using the HD(K) Special Grade.

(c) Assistant Superintendent: The academic qualification for entry into the Assistant Superintendent grade should remain the Pass Degree or its equivalent. It has been recommended that the DF(MK) Timescale should be used for the grade of Assistant Superintendent. Candidates with Honours Degree may enter the scale at the 4th step. Inspectors with six years' experience may be considered for appointment as Assistant Superintendents. In future the rank of Deputy Superintendent and above should be promotion grades depending on vacancies.

THE PASS DEGREE, DIPLOMA AND HSC SERVICES

8.59 Prior to the implementation of the Suffian Report, there were a number of services in the public service which were known as the Pass Degree Services for which the minimum entry qualification was a pass degree from any recognised University or its equivalent. The Suffian Commission did not see the need to retain these pass degree services and accordingly recommended their discontinuance. As a result of this recommendation, the pass degree services were downgraded to a much more junior

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service whose minimum entry qualification was the Higher School Certificate. The pass degree holders were then permitted to enter such services at a higher entry point.

8.60 Many complaints and several representations have been made regarding the downgrading of the pass degree services. At the same time the Government has directed that the Departments affected by the downgrading, such as the Customs, Postal and Inland Revenue Departments which have experienced difficulties in recruiting and retaining pass degree holders should be re-examined. Accordingly very careful consideration has been given to this subject and in the interest of the efficiency of the Departments concerned, it is felt that the problem created by the downgrading can only be solved by reviving and restoring the Pass Degree Services to their proper place in the Government's administrative machinery. Accordingly, it is recommended that in future the services concerned should have two levels of recruitment, one at the Pass Degree level and the other at the Higher School Certificate or the Diploma level as the case may be, each having its own promotion grades. Diploma holders who enter the HSC services, Pass Degree holders who enter the Diploma Services and Honours Degree holders who enter the Pass Degree services will be given higher entry points. It is recommended that the DF(MK) clean wage scales should be used for the Pass Degree Services and the HD(K) and HD(MK) for the Diploma and HSC Services respectively.

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8.61 The Departments and Services affected by this re-organisation and the clean wage scales that have been recommended are set out in the paragraphs that follow. The administrative and executive services which also involve similar re-organisations are dealt with separately in sections that follow thereafter.

Ministry of Labour and Manpower

8.62 Two new schemes of service should be created, one each for the Junior Labour Officers and Labour Officers using HD(K) Timescale and DF(MK) Timescale respectively as recruitment grades. Serving Degree holders in the grade of Junior Labour Officer HD(K) Time-scale should then be given first opportunity for appoint-ment to the new grade of Labour Officer DF(MK) Timescale before any further recruitment to this grade takes place. Accordingly new clean wage scales are recommended as follows:

Existing Posts		Proposed Regrading
Labour Officer	-	Junior Labour Officer HD(K) Timescale.
Assistant Director of Labour	-	Labour Officer DF(MK) Timescale.

Statistics Department

8.63 It is recommended that there should be two schemes of service, one each for Statistical Officer and Statisticians as follows:

Existing Posts		Proposed Regrading
Statistical Officer	-	Statistical Officer HD(K) Timescale.
Senior Statistical Officer	-	Senior Statistical Officer HD(K) Special Grade.
Statistician	-	Statistician DF(K) Timescale.

Ministry of Commerce and Industry

8.64 Two new schemes of service should be created, one each for the Assistant Registrar of Companies and Senior Assistant Registrar of Companies using HD(K) Timescale and DF(MK) Timescale respectively as recruitment grades. Serving Degree holders in the post of Assistant Registrar of Companies HD(K) Timescale should then be given first opportunity for appointment to the post of Senior Assistant Registrar of Companies before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Assistant Registrar of Companies Grade II	-	Assistant Registrar of Companies HD(K) Timescale.
Assistant Registrar of Companies Grade I	-	Senior Assistant Registrar of Companies DF(MK) Timescale.
Senior Assistant Registrar of Companies	-	Senior Assistant Registrar of Companies DF(MK) Timescale.

Postal Department

8.65 Two new schemes of service should be created, one each for Assistant Superintendent of Posts and Assistant Controller of Posts using HD(K) Timescale and DF(MK) Timescale as recruitment grades. Serving Degree holders in the post of Assistant Superintendent and Superintendent should then be given first opportunity for appointment to the post of Assistant Controller before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

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Existing Posts		Proposed Regrading
Assistant Superintendent	-	Assistant Superintendent HD(K) Timescale.
Superintendent	-	Superintendent HD(K) Special Grade.
Assistant Controller	-	Assistant Controller DF(MK) Timescale.
Controller	-	Controller DF(MK) Special Grade.

Telecommunications Department

8.66 Two new schemes of service should be created, one each for Traffic Officers and Assistant Controllers of Telecoms (Traffic) using HD(MK) Timescale and DF(MK) Time-scale respectively. Serving Degree holders in the post of Traffic Officer should then be given first opportunity for appointment to the post of Assistant Controller of Telecoms (Traffic) before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Traffic Officer	-	Traffic Officer HD(MK) Timescale.
Assistant Controller Grade II	-	Assistant Controller DF(MK) Timescale.
Assistant Controller Grade I	-	Assistant Controller DF(MK) Timescale.

8.67 Two new schemes of service should be created, one each for the Assistant Stores Officers and Stores Officers using HD(K) Timescale and DF(MK) Timescale respectively. Serving Degree holders in the grade of Assistant Stores Officer should be given first opportunity for appointment

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to the new grade of Stores Officer before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Assistant Controller (Stores) Grade III	-	Assistant Stores Officer HD(K) Timescale.
Assistant Controller (Stores) Grade II	-	Stores Officer DF(MK) Timescale.
Assistant Controller (Stores) Grade I	-	Stores Officer DF(MK) Timescale.

Ministry of Culture, Youth and Sports

8.68 Two new schemes of service should be created, one each for Junior Culture, Youth and Sports Officers and Culture, Youth and Sports Officers using HD(MK) Timescale and DF(MK) Timescale as recruitment grades. Serving Degree holders in the post of Junior Culture, Youth and Sports Officer should be given first opportunity for appointment to the post of Culture, Youth and Sports Officer DF(MK) Timescale before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Culture, Youth and Sports Officer, Grade III	-	Junior Culture, Youth and Sports Officer HD(MK) Timescale.
Culture, Youth and Sports Officer, Grade II	-	Culture, Youth and Sports Officer DF(MK) Timescale.
Culture, Youth and Sports Officer, Grade I	-	Culture, Youth and Sports Officer DF(MK) Timescale.

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Existing Posts		Proposed Regrading
Culture, Youth and Sports Officer, Superscale 'J'	-	Culture, Youth and Sports Officer DF(MK) Special Grade.

Co-operative Department

8.69 Two new schemes should be created, one each for Junior Co-operative Development Officer and Co-operative Development Officer using HD(K) Timescale and DF(MK) Timescale as recruitment grades. Serving Degree holders in the post of Junior Co-operative Officer should then be given first opportunity for appointment to the grade of Co-operative Development Officer DF(MK) Timescale before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Co-operative Development Officer, Grade III	-	Junior Co-oerative Development Officer HD(K) Timescale.
Co-operative Development Officer, Grade II	-	Co-operative Development Officer DF(MK) Timescale.
Co-operative Development Officer, Grade I	-	Co-operative Development Officer DF(MK) Timescale.

Aborigines Affairs Department

8.70 Two new schemes of service should be created, one each for the Assistant Administrator Aborigine Affairs and Administrator of Aborigine Affairs using the HD(MK) Timescale and DF(MK) Timescale respectively. Serving Degree holders in the post of Assistant Administrator of Aborigine Affairs HD(MK) Timescale or

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Special Grade should then be given first opportunity for appointment to the DF(MK) Timescale grade before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Assistant Protector of Aborigines	-	Assistant Administrator of Aborigines Affairs HD(MK) Timescale.
Protector of Aborigines	-	Administrator of Aborigine Affairs HD(MK) Special Grade.
Senior Protector of Aborigines	-	Administrator of Aborigine Affairs DF(MK) Timescale.
Assistant Director-General	-	Administrator of Aborigine Affairs DF(MK) Timescale.

Prime Minister's Department

8.71 Two new schemes of service should be created, one each for the Assistant Community Development Officers and Community Development Officers using HD(K) Timescale and DF(MK) Timescale respectively as recruitment grades. Serving Degree holders in the grade of Assistant Community Development Officers should be given first opportunity for appointment to the grade of Community Development Officers DF(MK) Timescale before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Assistant Community Development Officer	-	Assistant Community Development Officer HD(K) Timescale.

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Existing Posts		Proposed Regrading
Community Development Officer	-	Community Development Officer DF(MK) Timescale.
Senior Community Development Officer	-	Community Development Officer DF(MK) Timescale.

Narcotics Bureau

8.72 Two new schemes of service should be created, one each for the Assistant Narcotics Bureau Officers and Narcotics Bureau Officer using the HD(MK) and DF(MK) scales respectively. Serving Degree holders in the scheme of service for Assistant Narcotics Bureau Officers HD(MK) should then be given first opportunity for appointment to the post of Narcotics Bureau Officer before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Assistant Narcotics Bureau Officer, Grade III	-	Assistant Narcotics Bureau Officer HD(MK) Timescale.
Assistant Narcotics Bureau Officer, Grade II	-	Assistant Narcotics Bureau Officer HD(MK) Special Grade.
Assistant Narcotics Bureau Officer, Grade I	-	Assistant Narcotics Bureau Officer HD(MK) Special Grade.
Narcotics Bureau Officer	-	Narcotics Bureau Officer DF(MK) Timescale.

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Ministry of External Affairs

8.73 Two new schemes of service should be created, one each for Junior External Affairs Information Officers and External Affairs Information Officers using the HD(K) Time-scale and DF(MK) Timescale as recruitment grades. Serving Degree holders in the HD(K) Timescale grade should then be given first opportunity for appointment to the grade of DF(MK) Timescale before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
External Affairs Information Officer, Grade III	-	Junior External Affairs Information Officer HD(K) Timescale.
External Affairs Information Officer, Grade II	-	External Affairs Information Officer DF(MK) Timescale.
External Affairs Information Officer, Grade I	-	External Affairs Information Officer DF(MK) Timescale.

8.74 Two new schemes of service should be created, one each for Assistant Superintendents of Customs and Superintendents of Customs using HD(K) Timescale and DF(MK) Time-scale as the recruitment grades. Serving Degree holders in the HD(K) Timescale grade should then be given first opportunity for appointment to the grade of Superintendent of Customs DF(MK) Timescale before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Assistant Superintendent of Customs	-	Assistant Superintendent of Customs HD(K) Timescale.

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Existing Posts		Proposed Regrading
Superintendent of Customs	-	Superintendent of Customs DF(MK) Timescale.
Senior Superintendent of Customs	-	Superintendent of Customs DF(MK) Special Grade.
Assistant Director of Customs	-	Superintendent of Customs DF(MK) Superscale 'H'

Social Welfare Department

8.75 Two new schemes of service should be created, one each for Junior Social Welfare Officers and Social Welfare Officers using HD(K) Timescale and DF(MK) Timescale as the recruitment grades. Serving Degree holders on the HD(K) Timescale grade should then be given first opportunity for appointment to the DF(MK) Timescale grade before any further recruitment to this grade takes place. It is accordingly recommended that new clean wage scales should be applied as follows:

Existing Posts		Proposed Regrading
Social Welfare Officer Grade III	-	Junior Social Welfare Officer HD(K) Timescale.
Social Welfare Officer Grade II	-	Social Welfare Officer DF(MK) Timescale.
Social Welfare Officer Grade I	-	Social Welfare Officer DF(MK) Timescale.

GENERAL ADMINISTRATIVE SERVICE

8.76 The General Administrative Service was formed effective from 1st October, 1974 by the amalgamation of the following services:

(a) The State Civil Services of Penang and Malacca;

(b) Malay Administrative Service;

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(c) Immigration Department (Grades of Deputy Assistant Director, Assistant Director and above);

(d) National Registration Department (grade of Assistant Registration Officer and above);

(e) Registrar of Societies (grade of Registration Officer and above);

(f) Election Commission (grade of Deputy Supervisor of Elections and above);

(g) Road Transport Department (grade of Enforcement Officer and above);

(h) Manpower Department (grade of Labour Officer, Assistant Director and upwards excluding Instructors of Training Institutes).

8.77 As at present constituted, the scheme has two grades, i.e. Grades I and II. The minimum entry qualification is either a Pass Degree or a Diploma in Public Administration from the MARA Institute of Technology. The status of the scheme is thus lower than that of the former Malay Administrative Service, whose minimum entry qualification was a Pass Degree or its equivalent. It has therefore become more or less similar to the services dealt with in paragraphs 8.62 to 8.75 of this chapter. Following the pattern of re-organisation already set for these services, it is recommended that the General Administrative Service too should be split into two schemes - the first, which should retain the present title, should only accept direct recruits with a minimum of a Pass Degree or its equivalent and the other, which should be

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known as the General Executive Service should accept candidates with a Diploma in Public Administration or its equivalent. Each scheme should have its own promotion grades. Members of the General Executive Service should be eligible to be considered for appointment to the General Administrative Service, after a minimum period of service of six years and having undergone the relevant training. It is accordingly recommended that the DF(MK) scales should be used for the new General Administrative Service and the HD(K) scales for the proposed General Executive Service. For purposes of conversion, all employees in P.T.A. Tingkatan I should convert to DF(MK) Timescale and those on P.T.A. Tingkatan II to HD(K) Time-scale. The Degree holders in the HD(K) Timescale should then be given first opportunity for appointment to the DF(MK) Timescale of the P.T.A. before any further recruit-ment to this grade takes place.

THE EXECUTIVE SERVICE

8.78 There is also at present an Executive Service, whose minimum entry qualification is the H.S.C. Its members are eligible to be considered for appointment to the Administrative and Diplomatic Service. With the creation of the General Administrative Service, the position of the Executive Service has become anomalous. It is felt that as a result of the proposal that there should be established a General Executive Service with the minimum entry qualification of a Diploma, the Executive Service should become redundant. It is accordingly recommended that the existing Executive Service as such should be abolished and that all its existing members should be transferred to the proposed General Executive

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Service. It has accordingly been recommended that all serving Executive Officers should convert to the HD(K) Timescale and the serving Higher Executive Officers and Senior Executive Officers to the HD(K) Special Grade. Their avenue of appointment to the Perkhidmatan Tadbir dan Diplomatik (PTD) should thereafter be via the Perkhidmatan Tadbir Am (PTA) as would be the case of all other members of the proposed General Executive Service. The Schemes of Service for PTA and PTD should be reviewed accordingly.

STATE CIVIL SERVICES

8.79 The Administrative and Diplomatic Service and the General Administrative Service at present serve the Federal Government and the State Governments of Negri Sembilan, Pahang, Perak, Selangor, Malacca and Penang. The other States of Malaysia, viz. Johore, Kelantan, Trengganu, Kedah, Perlis, Sabah and Sarawak have their own State Service. These Services are akin to the General Administrative Service in that the minimum entry qualification is a Pass Degree. Despite this, it is found that while the wage scales of $400-1,000 which is used by the General Administrative Service is also used by the Civil Services of the five states in Peninsular Malaysia, the Civil Services of Sabah and Sarawak use the clean wage scale of $750-1,800 which is the scale used by the Administrative and Diplomatic Service, notwithstanding the fact that due to shortage of suitable candidates with the required entry qualification of the Pass Degree, the schemes have been relaxed in both Sabah and Sarawak to enable candidates of lower academic qualifications to join the State Civil Service. To complicate matters

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further, however, it is found that in June 1974 the scheme for the Sabah State Civil Service alone has been upgraded from a Pass Degree to an Honours Degree scheme, presumably to justify the fact that it already carries the Honours Degree clean wage scale of $750-1,800.

8.80 It is understood that attempts have been made by the Federal Government to integrate these State Civil Services into either the Administrative Service or the Executive Service but so far without success. It is felt that the long-term solution to this problem still remains integration as proposed by the Federal Government. In the meantime, since the entry qualification in practice is the same for all these State Civil Services, it is recommended that they should all use a common scheme despite the fact that in theory the Sabah State Civil Service has been upgraded to an Honours Degree scheme. Since the DF(MK) scales have been recommended for the General Administrative Service, which also requires the Pass Degree as the minimum entry qualification, the same wage scales are recommended for all these State Civil Services. Candidates who possess the Honours Degree and who are selected into these services should enter at the appropriate higher point meant for them.

STATUTORY AND LOCAL AUTHORITIES

8.81 Within the short time available, it has not been possible to study in detail the present departmental structures of each and every Statutory and Local Authority, hence no detailed recommendations have been made for the re-organisation of any of their schemes along the lines that have been done in the case of some of the Government

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Services and Departments. The general recommendations that have been made in the early part of this Report in respect of career prospects and ex-IMG grades are equally applicable to all sections of the public sector. As regards the other levels of employment, it is recommended that similar re-organisation should be carried out along the lines indicated for Government Services and Departments. Where there are identifiable counterparts to these Services and Departments in Statutory and Local Authorities, such re-organisation should not prove too difficult. In all other cases the re-organisation would in fact have already been suggested by the new clean wage scales that have been recommended based on the new classification of employment levels, i.e. the PS, LC, SC, HD and DF groups. These should be followed through in the case of all Statutory and Local Authorities.

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C H A P T E R IX

M I S C E L L A N E O U S

9.1 So far all the major problems relating to remunerations and terms and conditions of employment in the public sector have been dealt with under separate chapter headings. The last major problem which concerns superannuation will be dealt in the next chapter. In this chapter, a number of problems which cannot be dealt with under chapter headings are dealt with because they are minor in character, but nevertheless, require either consideration or at least an explanation as to why they have been excluded from consideration in this Report. These are now dealt with under separate side headings in the paragraphs that follow.

HOURS OF WORK

9.2 It has been found that one of the reasons why there has been a multiplicity of perquisites is that hours of work do not appear at present to be standard throughout the Government Service, not to mention Statutory and Local Authorities. The reasons for such non-standard working hours are historical but it appears that as a result of vested interests that have developed over the years around such irregularity, there has been a great deal of resistance both from the Heads of Departments and the staff associations and the trade unions concerned to any attempts at standardising hours of work throughout the country. The vested interests that have developed appear to be many and varied. For example, in the case of the Postal Department, it has been found that due to the fact that the hours of work are slightly different from those obtaining elsewhere generally in the Government Service, the overtime rates are very much higher compared to those

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that are generally applicable. On analysis, it has been found that in all such cases as this, the total benefits derived by the employees concerned are much higher than those obtainable by similar employees elsewhere, out of all proportion to the inconvenience that might be caused to the employees concerned as a result of the slightly different hours of work they are required to observe. It is felt that this situation should not be permitted to continue as it is quite often the source of considerable industrial unrest.

9.3 An attempt has, therefore, been made to standardise hours of work for observance by all public departments. Accordingly, the standard hours of work that are proposed are set out in Table 3. It will be seen from this Table that it has been recommended that the gross normal working hours should be 44¾ hours per week, i.e. 8 hours per day for five days and 4¾ hours on the 6th day, the net of which should be 38½ hours, i.e. allowing for 75 minutes for lunch break per day during the first five days; and that the gross shift work hours should be 42 hours per week, the net of which should be 38 hours, i.e. allowing, any time in between, for a break of 45 minutes per shift. It is recommended that these hours should be followed as strictly as possible allowing only for exigencies of service.

9.4 The only exception that should be permitted to these standard working hours should be the various educational institutions, which have to, of necessity, work different hours. But it should be emphasised that although their actual formal working hours would be different, when the fact of the time required for

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preparatory work and extra-mural activities is taken into account, the total hours of work should roughly be equal to the standard hours of work prescribed in Table 3.

TABLE 3: STANDARD HOURS OF WORK PER WEEK

Type of Work	Gross Hours	Net Hours
Normal	$44\frac{3}{4}$	$38\frac{1}{2}$
Shift	42	38

Footnote: Net hours exclude time allowed for breaks, i.e. 75 minutes per day for the first five days of the week for normal work and 45 minutes per day for shift work.

HIGHER QUALIFICATIONS

9.5 It would have been noted that throughout this Report one of the underlying philosophies has been that every area of public employment should provide for avenues of advancement both directly within each and every scheme of service and indirectly via other related higher schemes. The problem of providing advancement within schemes has already been dealt with particularly in Chapter VIII entitled "Consequential Reorganization". In that chapter, it has also been recommended that every effort should be made in each scheme to indicate what other avenue of advancement would be available to the employees concerned. This, in fact, should have been done a long time ago when the Government accepted career development as a matter of policy, but for some reason or other, not much progress appears to have been made in this direction. It is hoped that if this Report is accepted by the Government for implementation, more meaningful efforts would be made to make the policy a reality.

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9.6 In this connection particular attention is drawn to a recommendation made by the Suffian Commission and repeated by the Harun Commission to the effect that a list should be maintained of employees who have, through their own efforts, obtained higher academic qualifications for special consideration during recruitment and promotion exercises. It is felt that not only should the list be maintained by requesting all employees who have obtained higher qualifications to inform a central authority, but also priority should be given to their applications, particularly for appointment to higher services which require the higher qualifications they have obtained. For example, an Office Boy or a Clerical Officer who has managed to obtain an M.C.E. or an H.S.C. respectively should be given priority for appointment to the Clerical or the General Executive Service, as the case may be, should they apply for entry into those services, in preference to fresh applicants from recent school-leavers. This is important both from the point of view of the general morale of the public service and of providing an incentive for public employees to make every effort for self-advancement.

SECONDMENT TERMS AND CONDITIONS

9.7 It has been found that it is the practice at present to second employees particularly from the Government service to the service of Statutory and Local Authorities and Government Corporations. The main reason for this appears to be the shortage of experienced personnel, and that the practice of seconding experienced employees enables better utilization of such employees. While it is agreed that there is a need to make fuller

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use of experienced employees, it should also be noted that it has given rise to considerable frustration among employees who do not get opportunities of secondment and so are not able to benefit from the better terms offered to the seconded personnel. This is particularly the case where Heads of Departments do not agree to the release of their better employees, since this means that the better terms offered on secondment are more often than not enjoyed by the lesser of the employees concerned. It is, therefore, recommended that in future the secondment of employees should only be resorted to when it is found to be absolutely essential and as far as possible this should be discouraged. However, should secondment be found necessary, then it should be done only where it is possible to release the best available employees concerned for the purpose in hand.

Permanency Options

9.8 It is also felt that the secondment of employees should only be for a total period of two years. In all cases where it has been found necessary to second employees for longer periods than this, the seconded employees, on the completion of their second year of secondment, should be given the option of becoming permanent in the schemes to which they have been seconded, together with the guarantee that all their previous periods of service spent either in the Government or Statutory and Local Authorities will be taken into account for purposes of superannuation benefits. In the event the employee concerned opts for such permanency, the last of his employers should then be responsible for the payment of the full superannuation benefits and thereafter to seek reimbursement from the

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previous employers concerned for their respective share of contribution towards the payment of such superannuation benefits. This will ensure that the position of the seconded officers is not jeopardized.

Conversion on Revision of Salaries

9.9 It is understood that in the past the position of seconded employees has not been clear when the clean wage scales applicable in their seconded service were revised. On secondment, the employee concerned was paid an allowance equivalent to the difference between what the officer was receiving in his parent service and the clean wage point he was placed on at the time of secondment in the service to which he is seconded. But when the clean wage scale of the seconded service was revised, the benefits, if any, of such revisions were not automatically extended to the seconded employee by revising his clean wage point in the seconded service so as to adjust the allowance payable to him. This is unsatisfactory and has been the source of frustration among the employees affected. It is felt that the seconded employees too should be granted the difference between their substantive wages drawable from their parent service and the point to which their seconded wages would convert to on the revised clean wage scale of their seconded service. Thus, if an employee was in receipt of say $900 as his substantive salary from his parent service and was on a point on his seconded clean wage scale which carried say $1,000, he would be drawing the difference of $100 as a non-pensionable allowance. If the latter scale was subsequently revised and as a result of such revision his seconded point converted to a point on the revised salary scale which

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carried say a salary of $1,050, the seconded employee's salary should also be deemed to have been accordingly converted and his non-pensionable allowance immediately raised to $150 with effect from the date such revisions took place. This should be done as a matter of course in all cases of secondment in the future.

Previous Revisions

9.10 It is understood that there are seconded officers who have not been granted the benefits of the revisions undertaken as a result of the recent implementation of the Reports submitted by Salary Commissions and Committees, while others have had such benefits. If this is true, it would place the employees whose seconded wages have not been so revised in a less favourable position when the clean wage scales recommended in this Report are implemented. It is, therefore, recommended that in all such cases of omissions, the seconded wages should first be revised in accordance with the clean wage scales already implemented and then be revised again in accordance with the relevant conversion tables provided for in this Report.

OFFICERS ON CONTRACT

9.11 It has been found that there is a fairly large number of officers on contract in the public sector. The posts held by those officers may generally be classified into categories as follows:

(a) Contract Posts: These may be further subdivided into :

(i) Posts which are specialised in nature and require personnel with highly specialised knowledge or experience in

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certain fields. These posts, which are often advisory in character, are found in departments such as those dealing with tin, rubber and petroleum. The personnel filling these posts are generally non-citizens of this country; and

(ii) Posts which have been considered as not being appropriate to be made permanent and pensionable in the interests of the service concerned. Examples of thes posts are to be found largely in the Departments of T.V. and Radio. The majority of the personnel filling these posts are local citizens.

(b) Cadre Posts: Contract officers filling cadre posts is a much more recent occurrence. It is understood that due to the fact that it was found difficult to recruit personnel to fill cadre posts on the existing salaries offered, it was found necessary to increase the salaries to make the posts more attractive to prospective applicants.

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Contract Posts

9.12 Of the two sub-categories of contract posts mentioned in paragraph 9.11 above, it is felt that the posts mentioned in paragraph 9.11 (a) (i) should continue to remain contract in nature as these posts are meant for personnel who are required to give advice and guidance during the initial years of a project, but once the project is fully established, their need would disappear, or for personnel who are required to give advice on any special problems that may arise from time to time. The contract classification of the posts mentioned in paragraph 9.11 (a) (ii) above is, however, not satisfactory. It is understood that a large number of employees engaged against these posts have been in service exceeding 10 years. Furthermore, it is understood that these employees are generally Malaysian citizens, and as a result there is a growing sense of frustration and insecurity amongst them. This is not a healthy situation and it should not be permitted to continue. It is felt that these posts should be immediately reviewed and made permanent, and all the employees concerned should be given the option of becoming permanent on the usual terms, viz. that all their previous service should be counted for purposes of pension on their surrender of all gratuities collected up to the time of absorption into permanency.

9.13 In the previous paragraph, a recommendation has been made for absorbing local citizens into permanent employment on the grounds that it is not seen how a post which is required for any period of say more than five years should be classified as contract. It is understood that one of the reasons why a musician, for instance, is

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classified as a contract employee is that when the taste for his particular type of music has lost its popularity, his need would also disappear. If such argument in fact held good, it is not seen why practically no musician has had his contract terminated or unrenewed during the past 10 to 15 years. This argument is therefore not acceptable. On the other hand, it is felt that in a country like Malaysia, where all the departments are growing every year and will continue to grow for many years to come, there will always be a function for an employee even if he becomes a little out-of-date in his particular place of employment and therefore he can always be given an opportunity to change his service at the appropriate time. For example, a musician who is out-of-date may be transferred to a desk job in either the same or another Department in the same Ministry. It is for this same reason that it has been emphasised, elsewhere in this Report, the importance of career development as a matter of great importance.

Cadre Posts

9.14 It has been found that among the contract employees who hold cadre posts such as architects, engineers and doctors, there are a number of Malaysians. It is understood that this is only a recent occurrence, when, in order to attract local citizens to the Government service and to retain them, it was found necessary to offer improved salary scales. This was done first in the case of engineers and then extended to architects. But the contract salary scales for local as well as foreign doctors still remain the same as those of permanent employees. It is felt that this type of ad hoc tampering of clean wage scales in

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order to overcome long-term shortage of professional employees will only result in the creation of invidious situations which can have far-reaching consequences to the morale of the rest of the employees.

9.15 It is, therefore, recommended strongly that the clean wage scales of cadre posts should never be tampered with, neither for local citizens nor even for foreign personnel, who will, if the shortages persist, still have to be recruited on contract terms to fill cadre posts. In any case, now that clean wage scales have been recommended which can be considered to be fairly attractive although they still do not compare favourably with those obtaining in the private sector, the need for any further differentials perhaps will no longer exist. The question that remains, therefore, is what should be the position of serving Malaysians engaged on contract terms to fill cadre posts. It is felt that the only way to overcome the problem already created is to offer them the option of being absorbed into the permanent establishment. Those who opt to join the permanent establishment cannot, however, be given less favourable terms than what they are already enjoying under their present contract terms, but their seniority would automatically be below that of those who are already on the permanent establishment. So, while the wages of these contract officers who opt to join the permanent establishment may be higher, their seniority will rank below those who are already on the permanent establishment. It is felt that this is the fairest arrangement that can be made in the difficult situation that has been created as a result of the little-considered ad hoc action that appear to have been taken in the past.

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Applicability of Perquisites

9.16 It is understood that one of the clauses included in all contracts of employment in the public sector is that the employees concerned shall be bound by all rules and regulations that may be promulgated through the means of circulars from time to time by the employer concerned. This is one of the reasons why conversion tables for contract employees as well are included in the Draft Service Circular attached as APPENDIX 'B' to this Report. For the same reasons and also to adhere to the rate for the job principle, it is now recommended that all the perquisites recommended in Chapters V, VI and VII which deal with Housing, COLA and Bonus and Perquisites respectively should also be extended to contract employees as a matter of course. The only exception to this rule should be housing loans and superannuation. Since housing loans are tied to the pensionability of an employee, it would not be possible to extend this privilege to contract employees, in lieu of which they should be eligible for rent allowances applicable to their counterparts in the permanent service. Superannuation benefits of contract employees have been dealt with separately in Chapter X which deals with the subject.

NON-PSC CONTRACTS

9.17 Attention is drawn to the fact that there are at present certain contract employees whose contracts are not signed by the Public Services Commission (PSC) as is the case with the contracts of employees dealt with in the previous section of this chapter. It is understood that in the case of these employees, they are appointed by the Minister, who is responsible for the post to which

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the employee concerned is to be appointed, on behalf of the Government. Examples of such appointments are the Chairman of various Service Commissions, the President and Chairman of the Industrial Court and certain other top appointments in Statutory Authorities. None of their terms and conditions of service has been examined by any of the previous Commissions and Committees, although the revisions in wages that resulted from the implementation of their Reports appear to have been subsequently extended to these employees on an ad hoc basis. It is therefore not clear as to whether their terms and conditions of service should also be examined for purposes of co-ordination. If this is not done, they would be the only group of public employees who are excluded from this general exercise of co-ordination and review.

9.18 On the other hand, it is understood that the contracts of these employees too carry a clause to the effect that they would also be subject to the General Orders and all rules and regulations promulgated by the Government from time to time. Since revisions of remuneration and terms and conditions of service are normally the subject of circulars and in effect amount to the promulgation of new rules and regulations governing employment in the public sector, there does not appear to be any valid reason as to how such employees could be excluded from their effects. In view of this it is suggested that they too should be treated in the same way as the contract employees discussed in the previous section, so that this review and co-ordination exercise can be considered to be complete in so far as the public sector is concerned.

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PRE-SERVICE TRAINING

9.19 Certain services such as the Armed Forces, the Police Force, the Education Service and the Medical and Para-Medical Services require the candidates to undergo specific pre-service training before they are appointed into the Services. During this period they are only paid an allowance and the period itself is not counted as service qualifying for pension. However, in the case of the Police Force, only the Recruits are paid an allowance whereas the Probationary Inspectors and Assistant Superintendents are paid a wage. Thus, it can be seen that the Probationary Police Inspectors and Assistant Superintendents of Police who are direct recruits are at an advantageous position compared to their counterparts who are required to undergo pre-service training. Accordingly, it is recommended that direct recruits who undergo pre-service training should, in all cases, be only paid an allowance for the duration of the training period and the training period should not be taken as periods qualifying for pension.

Standard Practice

9.20 This practice of providing pre-service training for direct recruits is a step in the right direction and an effort should be made to make it a general practice in all cases of recruitment into the public service wherever specialised training is required for the efficient per-formance of the task concerned. Otherwise, it would continue to give rise to anomalous situations as in the case mentioned in the previous paragraph. There are other similar instances, a good example of which would be the case of Technicians in the Department of Telecommunications

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where most of the required pre-service training is provided in the Ungku Omar Polytechnic in the case of those recruited from amongst the graduates of that institution, while almost similar training is also provided for other direct recruits fresh from schools. Higher entry points have been examined for the former as compared to what has been recommended for the latter. This is in accordance with the principles enunciated for the determination of clean wage scales and entry points and is also fair from the point of view of total remuneration both types of employees would receive in the course of a full career. But, nvertheless it would give rise to unfavourable comparison simply because of the differential points of entry, which are required to ensure fair compensation in both cases. In order to avoid similar immediate comparisons, it is recommended that an effort should be made to ensure that in all cases the training should be provided prior to recruitment into the proper establishment of the Departments concerned, so that all would be given the same point of entry on appointment.

Training Allowances

9.21 There have been many complaints concerning the type and quantum of allowances payable to trainees prior to their recruitment to the Government service proper. This problem clearly does not come within the terms of reference of this Report. Moreover, pre-service training is tied up very closely with the question of allowances payable to Government scholars who are pursuing specific courses of study on Government scholarships, both locally and abroad. In the case of Government Scholars, it is understood that the Public Services Department and the

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Treasury have carried out a series of studies to review the scholarships payable to such scholars from time to time. Perhaps it is time that standard rates of allowances are paid to all trainees based on certain common principles. It is, however, suggested that the Public Services Department and the Treasury are the appropriate and competent authorities to review such allowances.

RELIEF ALLOWANCES

9.22 It has been mentioned in paragraph 6.3 of Chapter VI that reasons would be given in this chapter as to why the method adopted in the past for the payment of Regional Allowances and Special Relief Allowances is not appropriate. The Allowances are at present being paid on the basis of graduated rates with the lower income groups receiving a higher proportion of their wages in the form of allowances compared to the proportion paid to employees in the higher income brackets. The objection to this method, as stated in Chapter VI, is that it violates the principle of the rate for the job, thereby creating unnecessary anomalies in the public sector. As a result of the graduated method of payment, there are bound to be cases where an employee in the lower income bracket would receive a higher wage than an employee at the bottom of the higher income bracket, as defined for purposes of applying the graduated rates of the allowances payable. This results in unnecessary dissatisfaction. At the same time, if the allowances are paid, as in the present instance, to offset depreciations in the purchasing power of money, the effects of the depreciation are uniformly felt throughout all the levels of employment in the public sector and so any measure that is designed to restore

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the real income of employees should be uniformly applied to all the employees concerned and not just to a section of them.

9.23 It is also understood that one of the real reason for adopting the graduated rates for Regional and Special Relief Allowances is to assist the lower income groups, who in circumstances of inflation find it more difficult to survive by cutting costs than those in the higher income groups. Another reason, perhaps even more important than the previous one from the financial angle, is that the graduated rates would be cheaper to the employer concerned. It is felt that if compassion is the fundamental reason, then the allowances payable should be paid, not as part of remuneration but as a welfare or social payment, made not by the employer but by an agency devoted to the task of alleviating suffering brought about by forces beyond the control of the employees concerned. An appropriate such agency would be the Ministry of Social Welfare. If this is done, it would meet both the objectives of providing relief and keeping costs down and at the same time would not affect the fundamental principles of determining wages in the public sector. It is therefore recommended that if the intention is to provide relief measures it should be done through the appropriate agency established for such purposes in the future.

PUBLIC-PRIVATE SECTOR RELATIONSHIP

9.24 It will have been noticed that throughout this Report nothing has been said to the effect that the Government should try to be a model employer. This has been done advisedly on the grounds that employment should be based fundamentally on the ability of the employer to pay

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and not on some idealistic but non-practicable grounds. Furthermore, the use of the phrase "model employer" in the past to describe the Government has led to some unfortunate consequences, which should be avoided in the future. One of the consequences has been that the private sector too is expected to follow suit whenever the Government ventures in a new direction, irrespective of the ability of the various employers in the private sector to pay. For example, when the Government introduced the special relief allowance, it was explicitly stated that the example should be followed by employers in the private sector as well. This was alright in so far as it concerned employers who could afford to pay but had withheld doing so pending whatever action was to be taken by the Government. But it certainly brought about adverse repercussions among employers in the private sector, who had either already taken measures to counter the effects of inflation as best they could or were just not able, for financial reasons, to do anything about it. In the former case it would have resulted in double payments and in the latter hardship to the employer, which in turn would have caused hardship to the employees, if it led to any degree of unemployment as a result.

9.25 Furthermore, it also had unfortunate consequences in the public sector itself. In view of the fact that the Government had been forced into the position of having to consider itself a model employer, it only approved for its own employees a rate of allowance, which could be adopted by the private sector without at the same time causing undue hardships to any of the employers concerned. If the Government's actions are always to be limited by the fact

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that it would have immediate repercussions in the private sector, it is bound to lead to considerable misgivings among public employees, since their bargaining position would be weakened to the extent that they would not be able to expect much more than what the weakest employer in the private sector can afford. This in itself could have very far-reaching consequences to the morale of public employees.

9.26 For reasons given above, it is felt that the concept of the Government being a model employer should be considered as having outlived its usefulness. The time has arrived when a large number of private firms are already offering better terms and conditions of service than is available in the public sector. In a situation such as this, the least that can be said is that it would be inappropriate for the Government to continue to consider itself as a model employer in the sense that other employers should follow its examples all the time. In future, therefore, the criterion to be employed should be the ability of the employer concerned to pay and not absolute equality between employees in the public and private sectors. It is for this reason very broad comparisons have been made bewteen employment in the public and private sectors, without attempting in any way to eliminate all inequalities that might and must exist between them.

9.27 In the case of the public sector itself, although there are many employers whose ability to pay differ, the Government has decided as a matter of policy that the remuneration and terms of conditions of service should be

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the same for similar categories of employees. Since this is part of the Government's policy, there was no option but to fulfil it in this Report.

INCOME TAX

9.28 Income tax as such, strictly speaking, does not come within the terms of reference of this Report. However, since it has a direct bearing on the take-home pay of fixed income employees, it is felt that attention should at least be drawn to the subject without making any recommendations thereon. Under the present system, the permissable amount for deduction from taxable income is as follows:

(a) Tax payer	-	$2,000.00
(b) Earned income, 10% subject to a maximum of $1,000.00	-	$1,000.00
(c) Wife	-	$1,000.00
(d) First child	-	$ 750.00
(e) Second & Third child	-	$1,000.00
(f) Fourth & Fifth child	-	$ 600.00
Total	-	$6,350.00

9.29 This figure of $6,350.00 appears to have remained intact for a fairly long time. Now that the purchasing power of money has fallen, the question arises whether or not the deductible amount for purposes of calculating income tax should at least be increased in the same proportion. This is, however, as stated earlier, a subject entirely for the consideration of the Government, but an appropriate move in the direction indicated would help to make the proposals for revision of wages more meaningful.

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C H A P T E R X

S U P E R A N N U A T I O N

10.1 Judging from the papers received from Staff Associations and trade unions, superannuation represents one of the most contentious problems in the public service. The genesis of this problem is to be found in the implementation of the Suffian Report. With its implementation, the pensions factor, based on which is calculated the reduced monthly pensions and lump sum gratuity payments, was reduced from 1/600 to 1/800; and at the same time, all other superannuation benefits payable under the provisions of the Pensions Ordinance, 1951 were also proportionately reduced. The main effect of this was to reduce full pensions payable from two-thirds of highest pensionable emoluments to one-half for employees who had completed 400 months of continuous service. In proportionate terms this represented a decrease of 25% in the total amount of pensions payable to an employee. The employee concerned may then commute one-quarter of his annual pension into a lump sum gratuity, using a factor of 12.5 representing that number of years, and then draw a proportionately reduced pension per month.

EFFECTS OF FACTOR REDUCTION

10.2 This meant that he then has to live on an income which represents only 37.5% of his highest pensionable emoluments. A sudden drop of income of this magnitude, after an employee had put in $33\frac{1}{3}$ years of service, speaks for itself the kind of hardships it can cause. The position is much worse for those who never can put in $33\frac{1}{3}$ years of service because of higher academic and professional qualifications required for entry into certain services.

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As a result of a recent amendment to the Pensions Ordinance, full pension is restored if an employee survives the 12½ years, based on which his gratuity was calculated and paid. This means that if an employee survives the 12½ years, he would again receive full pension, which would amount to 50% of the highest pensionable emoluments for those who had completed 33⅓ years of service at the time of retirement, and less for those who could not put in that number of years of service. This restoration would be a help but only to those fortunate enough to survive the 12½ years. This has, therefore, not helped the situation very much and the main dissatisfaction concerning the pensions factor of 1/800 still remains.

10.3 The factor of 1/800 is now applicable to all employees of the Government Section of the Public Sector, excepting Judges and the Other Ranks of the Armed Forces. As a result of the Tun Aziz Report, the pensions factor applicable to Judges is 1/360 and as a result of the Sheikh Abdullah Report the factor applicable to the Other Ranks is 1/720, but in both cases the maximum pensions payable remains 50% of the highest pensionable emoluments. The higher factors in these instances simply mean that Judges can qualify for 50% of their highest pensionable emoluments in 15 years and the Other Ranks in 30 years. In the case of the latter, they in practice are not permitted to serve beyond 21 years and therefore will never be able to qualify for the maximum pensions prescribed.

Intention of Suffian Commission

10.4 The intention of the Suffian Commission in reducing the pensions factor was not to reduce the quantum of pensions payable to an employee, but on the other hand,

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to retain it at about the same level as he would have been eligible for under the old basic salary structure. This intention would have been fulfilled if all the new clean wage steps represented a minimum increase of one-third on their corresponding basic salary steps. It has been found that in a fair number of cases the addition of housing allowance and COLA at the highest rates did increase basic salaries by about a third; but unfortunately, this did not turn out to be the case in a large number of other cases, since it was found necessary, when implementing the Suffian Report, to provide as many as 584 personal-to-holder scales, out of a total of about 758 scales. The same has been found to be true in the case of the Aziz, the Sheikh Abdullah and the Harun Reports. The implication of this is that the clean-wage structure did not, in all these cases at least, represent an increase adequate to ensure that one-half of the maximum of a clean-wage scale was equal to or more than two-thirds of the maximum of its corresponding basic salary scale. This meant that all employees who were appointed to clean wage scales, which had personal-to-holder scales as well, and all employees who were promoted to clean wage scales which also had personal-to-holder scales, would receive a smaller quantum of pensions compared to what they would have received if they had remained on the basic salary structure. Inevitably, this has led to a great deal of criticism of the new pensions factor and the consequential changes that were made to all other superannuation benefits that were hinged to the pensions factor at the time of implementation of the Suffian Report.

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Maximization of Pensions

10.5 Another major complaint against the Suffian factor is that it did not give any consideration at all to the fact that a fair number of employees would never be able to maximise their pensions eligibility by the time they reached the compulsory retirement age of 55 years. This is particularly the case as has already been mentioned with regard to the employees in services which require entry qualifications higher than the H.S.C. In order to be able to serve for a full period of 400 months, prior to retirement at the age of 55 years, an employee has to start his service not later than the age of 21 years and 4 months. For instance, if a Service required an honours degree as the minimum entry qualification, which required the completion of a four-year academic course after having received the H.S.C., a person would be well over 23 years old before being eligible to apply for entry into the service concerned. The age of entry into service for persons who have to do much longer courses than this would be even higher, particularly in the case of Engineers, Accountants, Architects, Dentists and Doctors. The pensions factor as it is at present is, therefore, only adequate for employees whose entry qualification is the H.S.C., or lower. This has led to serious criticism particularly from employees in the Managerial and Professional Group.

The Harun Formula

10.6 The Harun Commission, on the other hand, has recommended a different pensions formula for employees in the Statutory and Local Authorities. Unlike the Suffian Commission, the Harun Commission has recommended two

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separate factors, one for the calculation of monthly pensions and the other for the calculation of retirement gratuity payments. The pensions factor recommended by the Harun Commission is 1/600 and based on this an employee may draw a maximum pension of one-half of his highest pensionable emoluments on completion of a period of service of 300 months or 25 years. The gratuity factor is 1/20, i.e. an employee may receive a gratuity calculated on the basis of 1/20 of his last-drawn salary multiplied by the number of months of service that stands to his credit at the time of his retirement without any limits. The net effect of these factors taken together is to retain the position more or less as it was prior to the implementation of the Harun Report for all employees who were then eligible to draw pensions under provisions similar to those contained in the Pensions Ordinance, 1951.

10.7 The main criticism against the Harun formula is that since an employee would maximise his pensions at the end of a period of service of 25 years, there would thereafter be not much incentive left for the employees concerned to continue in service. Unless there are good prospects of promotion, they would stand nothing to gain apart from increased gratuity which works out at only about 5% of monthly salary. This would be the case especially with regard to employees who enter service at around the age of 20 years, for they would be able to maximise their pensions by about the age of about 45 years. Another criticism of the Harun formula is that it provides for two factors, one for pensions and the other for gratuity. Now that the Pensions Ordinance has been amended to provide for the restoration of full pensions after a

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period of 12½ years from the date of retirement of an employee, no such restoration is possible if there are different factors for the calculation of pensions and gratuity.

NEW SUPERANNUATION FORMULA

10.8 It can, therefore, be seen from the foregoing analysis of the present position that there are three main formulae for the calculation of pensions and gratuity for public employees - one for those in the general Government Service, one for the Other Ranks and the last for those in the employment of Statutory and Local Authorities. Within the general Government Service itself there is a variation of the formula for the calculation of the superannuation benefits of the Other Ranks of the Armed Forces. There does not appear to be any good reason as to why there should be any difference in the calculation of the quantum of superannuation benefits receivable by any of the public employees concerned, excluding only Judges, if a formula which could be applied uniformly to all employees in the public sector can be found, taking into account all the different circumstances that obtain.

10.9 In the circumstances described above, it is proposed that a new formula should be introduced which can be used for the calculation of the superannuation benefits of all public employees, including the Other Ranks but excluding Judges, who should continue to draw their pensions based on their present factor. In future pensions should be calculated for public employees based on a factor of 1/450, subject to a maximum of 2/3rds of an employee's highest pensionable emoluments, i.e. an

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employee should be able to draw the maximum pension on completion of a period of service of 300 months or 25 years. For all periods of service over and above the 300 months, he should be granted an additional element calculated at the rate of 5% of his highest pensionable emoluments for every extra month of service. The figure of 5% has been arrived for purposes of calculating the extra gratuity on the basis that it is the figure recommended by the Harun Commission for the calculation of gratuity generally.

Options

10.10 At the time of retirement, an employee should be granted the option of receiving full pension or a reduced pension at the rate of three-fourths the full pension and a lump sum gratuity calculated at the rate of one-fourth the annual full pension multiplied by the factor of 12.5 representing 12½ years. In the event he opts for full pension, he should also be paid, at the time of retirement, a gratuity at the rate of 5% of highest pensionable emoluments for every extra month of service he had put in over and above the 300 months required to maximise his pensions under the pension formula. If he should opt for reduced pension and a lump sum gratuity, the extra gratuity, if payable for any extra month of service standing to his credit, should also be paid to him over and above his lump sum gratuity. If he opts for reduced pensions and lump sum gratuity and survives 12½ years after retirement, his full pension should be restored in accordance with the recently amended provisions of the Pensions Ordinance.

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10.11 This new formula, which in essence represents an amalgamation of the two different factors for pensions and gratuity recommended by the Harun Commission, together with the extra element which have been recommended for all periods of service exceeding 300 months, apart from unifying the existing methods of calculating pensions for all employees excluding Judges, will also neutralise criticisms levelled against the existing formulae. The pensions of Judges, however, should continue to be calculated based on their existing formula, since under it pensions can be maximised in a period of 15 years, which under the new factor that have been proposed, can only be maximised at the end of a period of 25 years of service.

Consequential Changes

10.12 Based on the new factor proposed, it is recommended that consequential changes should be made to the rates for the calculation of all other superannuation benefits such as injury and death-in-harness benefits which are provided for in the Pensions Ordinance, 1951. Since the new factor recommended is more or less similar to the factor that was in force prior to the date of implementation of the Suffian Report, except for the fact that pensions may now be maximised in 25 rather than in $33\frac{1}{3}$ years, what is now required is that all the rates that were reduced as a result of the implementation of the Suffian formula should be restored to what they were prior to the date of such implementation.

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CONTRACT GRATUITY

10.13 Pensions are only payable, under existing regulations, to employees who are emplaced on the permanent and pensionable establishment. On the other hand, contract employees are only eligible to receive a gratuity payable at stipulated periods but calculated on the basis of a proportion of annual or monthly clean wage. At present, the proportion is 15% of the monthly salary and this is the actual equivalent of pensions calculated using the factor of 1/800. Now that this factor has been revised, the proportion used for the calculation of gratuity payment should also be revised pari passu. It is accordingly recommended that the new proportion should be 17.5% of monthly clean wage.

10.14 It is understood that at present there is a certain amount of variation in the practice of paying gratuities to contract employees. Not only are there different rates applicable to different employees, but also some contracts provide for the payment of gratuities while others do not. It has not been possible to discover the reasons for such variations except that they have been so in the past as a result of a lack of a co-ordinated policy on the subject. It is therefore proposed that all contracts should henceforth uniformly provide for the payment of gratuities on the proportion of 17.5% of monthly clean wage. Even superannuated employees who are re-employed on contracts should be eligible for the payment of gratuities on this basis because the superannuation benefits they have already received and are continuing to receive are meant for services already rendered in the past and the gratuities to be provided for in their contracts on re-employment

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are meant for current services which have not yet been superannuated. If this is not done, it would violate the rate for the job principle and there is no reason why contract employment should be exempted from the application of this principle.

E.P.F. CONTRIBUTIONS

10.15 The Harun Commission has recommended that employees in the Statutory and Local Authorities should be emplaced on the pensionable establishment only after a period of 10 years and that during this period both the employer and the employee should contribute to the E.P.F. on the basis of 10% and 5% respectively. This is to ensure that the employee is covered superannuation-wise, until he is emplaced on the pensionable establishment, after which such contributions should cease. Since this recommendation has already been accepted by the Government when it accepted the Harun Report, in toto, it is recommended that this new policy should also be made applicable to all employees in the public sector. However, at the same time it is recommended that in the event an employee dies within a period of 10 years, his estate should be permitted to receive the death-in-harness gratuity or the E.P.F. contributions, depending on whichever is the larger. If necessary, the Pensions Ordinance should be amended to permit this. Similarly, on retirement, the employee himself should be granted the option to receive either the E.P.F. contributions or his pension benefits, depending again on whichever is the larger. In the event that, in either case, the option is for the benefits provided for under the Pensions Ordinance, the employee or his estate, as the case may be, should be eligible to recover his own contributions to the E.P.F., with all interest thereon.

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AGGREGATION OF SERVICE

10.16 Serious representations have been made against the present method of aggregating periods of broken service for purposes of calculating pension. The present practice is that generally, only that service which is continuous can be taken into account for the purpose of the grant of a pension, gratuity or allowance, as the case may be, under the existing pensions laws. Broken periods of service may be aggregated for purposes of pensions calculation only under certain specific circumstances, such as those brought about by the abolition of office or other temporary suspension of employment which are not the result of misconduct or voluntary resignation. This principle is embodied in Section 7 (1) of the Pensions Ordinance, 1951 which reads as follows:

> "Service in respect of which pensions, gratuities or allowances may be granted must be unbroken, except in cases where the service has been interrupted by abolition of office or other temporary suspension of employment not arising from misconduct or voluntary resignation."

10.17 As a result of various service principles that have been in force from time to time, breaks in service have occurred in circumstances which are not the result of misconduct or voluntary resignation, and yet cannot be aggregated for purposes of pensions calculation because, as worded presently, the pensions laws only permit the aggregation of services broken as a result of abolition of office or other temporary suspension of employment. At the same time, serious doubt has been expressed as to why, in all cases, service broken by voluntary resignation

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should not be aggregated. According to a study undertaken by the Public Services Department, the different types of known broken services are as follows:

(a) A break in service of one day was imposed in respect of temporary officers who were appointed to the permanent establishment after 1.1.1949, but the imposition of a day's break in service was discontinued in 1956.

(b) Prior to 1.1.1969 women officers marrying while serving on probation were required to retire on account of marriage; but, where it was in the interests of a Department concerned to re-employ such married women officers, a break in service of one day was imposed before they were re-employed.

(c) At one time, married women officers who wished to follow their husbands posted overseas could not qualify for no-pay leave, but under existing regulations, no-pay leave may be granted to cover the period of their stay with their husbands. In the case of the former, they were required to resign from service before following their husbands abroad.

(d) Serving officers are required to resign if they propose to undertake a course of studies leading to higher qualifications at their own expense, not sponsored by Government.

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(e) Transfers of temporary officers were at one time at the discretion of Heads of Departments and where the Departments concerned were not prepared to release such officers on transfer, the officers concerned had to resign in order to take up their appointments in other Departments.

(f) Prior to the implementation of the Aziz Report, there were two Education Services, namely, the Government Education and Teaching Service and the Non-Government Education and Teaching Service. The latter comprised, broadly, service in Aided Mission Schools, in the Unified Teaching Service (U.T.S.) and in Aided Private Schools. Thus, in the past, in cases where a teacher from a Mission School was appointed to the Government Education and Teaching Service, he was considered to have commenced service for pensions purposes only with effect from the date of his appointment to the Government Service; (and, conversely, where a Government teacher took up appointment with a Mission School he was also required to resign.

(g) U.T.S. teachers were under the employment of the Boards of Governors or Managers of the respective schools in which they served; and according to the U.T.S. rules, such teachers had to resign if they wanted to teach in a different school as they were not subject to any transfer.

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(h) Government officers who joined the U.T.S. as Headmasters or as Trade Instructors had to resign from Government service before doing so.

10.18 After a very careful examination of these cases it is recommended that aggregation of service in respect of items (a), (b), (c) and (h) of paragraph 10.17 above should be permitted subject to item (c) being effective from 1st January 1973, i.e. the date from which the Government has agreed to grant no-pay leave for married women officers who follow their husbands abroad, and item (h) involving no break in service. As regards the other items, there does not appear to be any case for aggregation of service, since the break in service was brought about purely voluntarily by the actions of the employees concerned themselves.

PENSIONERS AND BENEFICIARIES

10.19 Another persistent problem concerns the position of pensioners, whose pensions remain constant after retirement unless and until revised as a result of special exercises that are held to consider their position from time to time. It is understood that such an exercise was carried out recently by a Committee that was established under the Chairmanship of Tan Sri Syed Zahiruddin bin Syed Hassan, P.S.M., D.P.M.P., J.M.N., P.J.K., on 4.4.1972. The Committee submitted its Report to the Government in November, 1973. Following this exercise, pensioners who retired prior to 1.1.1970 were granted:

(a) Additional allowance in lieu of cost of living allowance at a pre-determined

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scale of rates according to rate of pension (rates obtainable from Service Circular 2/74 effective from 1.1.1973).

(b) Pensioners who had exercised an option for a reduced pension together with a commuted pension were also eligible to receive their full pension after completion of 12½ years with effect from the date of their retirement (effective from 1.1.1973).

(c) Over and above (a) and (b), pensioners, whether pre-Suffian or post-Suffian, were also paid Special Relief Allowance.

10.20 One of the consequences of this revision was that, in some instances at least, those who retired prior to 1.1.1970 are now in receipt of total pensions which exceed in quantum the total pension that are payable to some employees who retired in similar situations but after the same date by when the Suffian factor had come into force. Examples of such cases are given in Table 4. Thus, at least one of the consequences of such ad hoc revisions was to create fresh anomalies instead of merely improving the position of pensioners to take into consideration changes that have been brought about by the current inflationary position.

10.21 As a result of similar ad hoc exercises held in the past, a large number of allowances are now payable on pensions. These are as follows:

(a) For those who retired on or before 1.8.1947, the following allowances are payable:

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(i) Additional Allowance in lieu of Cost of Living Allowance;

(ii) Adjustment Allowance;

(iii) Complementary Allowances paid on the total of basic pension, Adjustment Allowance and Cost of Living Allowance; and

(iv) Supplementary Allowance paid on total basic pension, Adjustment Allowance, Additional Allowance, and Cost of Living Allowance.

(b) For those who retired between 1.8.1947 and 31.12.1951, the following allowances are payable:

(i) Additional Allowance in lieu of Cost of Living Allowance;

(ii) Complementary Allowance;

(iii) Supplementary Allowance.

(c) For those who retired after 31.12.1951, the following allowances are payable:

(i) Additional Allowance in lieu of Cost of Living Allowance;

(ii) Supplementary Allowance.

(d) For those who retired after 31.12.1954, an Additional Allowance in lieu of Cost of Living Allowance only is payable; and

(e) Those who are in receipt of pensions below $500/- per month are paid a Special Relief Allowance.

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TABLE 4: COMPARATIVE FIGURES OF MAXIMUM PENSION BENEFITS

Examples	Pre-Suffian: Pension Rate - 1/600 Max. Service: 33⅓ yrs.	Post-Suffian: Pension Rate - 1/800 Max. Service: 33⅓ yrs.
1. Executive Service Max. Salary: (i) Pre-Suffian $700 p.m. (ii) Post-Suffian $1,000 p.m.	F.P. = $ 466.67 p.m. C.P. = $ 17,500.00 " R.P. = $ 350.00 " A.A. = $ 61.25 " $ 411.25 p.m.	F.P. = $ 500.00 p.m. C.P. = $ 18,750.00 " R.P. = $ 375.00 " A.A. = $ Nil " $ 375.00 p.m.
2. Clerical Officer Max. Salary: (i) Pre-Suffian $535 p.m. (ii) Post-Suffian $800 p.m.	F.P. = $ 356.67 p.m. C.P. = $ 13,375.00 " R.P. = $ 267.50 " A.A. = $ 72.93 " $ 340.43 p.m.	F.P. = $ 400.00 p.m. C.P. = $ 15,000.00 " R.P. = $ 300.00 " A.A. = $ Nil " $ 300.00 "
3. Technician Max. Salary: (i) Pre-Suffian $506 p.m. (ii) Post-Suffian $700 p.m.	F.P. = $ 337.33 p.m. C.P. = $ 12,650.00 " R.P. = $ 253.00 " A.A. = $ 74.58 " $ 327.58 p.m.	F.P. = $ 350.00 p.m. C.P. = $ 13,125.00 " R.P. = $ 262.50 " A.A. = $ Nil. " $ 262.50 p.m.
4. Staff Nurse Max. Salary: (i) Pre-Suffian $409 p.m. (ii) Post-Suffian $600 p.m.	F.P. = $ 272.67 p.m. C.P. = $ 10,225.00 " R.P. = $ 204.50 " A.A. = $ 89.42 " $ 293.92 p.m.	F.P. = $ 300.00 p.m. C.P. = $ 11,250.00 " R.P. = $ 225.00 " A.A. = $ Nil " $ 225.00 p.m.
5. Junior Technician Max. Salary: (i) Pre-Suffian $312.50 p.m. (ii) Post-Suffian $425 p.m.	F.P. = $ 208.33 p.m. C.P. = $ 7,812.50 " R.P. = $ 156.25 " A.A. = $ 74.52 " $ 230.77 p.m.	F.P. = $ 212.50 p.m. C.P. = $ 7,968.00 " R.P. = $ 159.38 " A.A. = $ Nil " $ 159.38 p.m.

Footnotes:

(a) F.P. = Full Pension
(b) C.P. = Commuted Pension
(c) R.P. = Reduced (¾) Pension
(d) A.A. = Additional Allowance (Service Circular No. 2/74)

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10.22 This is a very unsatisfactory position and so a way ought to be found so that the position of pensioners would no longer constitute a separate problem on its own. However, as a result of the complexity of the problem, it cannot be solved completely within a short period of time; but, nevertheless a start should be made immediately to find an answer, which will solve the problem at least over a reasonable period of time in the near future. In this connection, a study was undertaken in 1955 by a Select Committee, which had been established under the Chairmanship of Mr. E. Himsworth, who was then the Financial Secretary to the Federal Government of Malaya. One of the possible solutions that was considered by this Committee in its "Interim Report" dated May, 1955, was that the highest pensionable emoluments of a pensioner should be deemed to have been revised, as and when the salary scale he was on at the time of his retirement, is revised after his retirement, in accordance with the conversion tables that are provided for the purpose of conversion of wages following the revision of the scales concerned. If this is done, it would mean that every pensioner's position is always kept brought up-to-date so that he does not lag behind those who come after him as a result of developments that are constantly taking place. But, unfortunately, although the Committee agreed that this solution was simple and differed to equity, it did not recommend the solution on the grounds that it posed difficult problems. What these difficult problems were is summarised succinctly in the following sentence taken from page 6, paragraph 24 of the Interim Report:

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"The fact that a post or a grade called by a given name in the past is still so designated does not necessarily mean that the duties and responsibilities have remained the same, or that the same pensions should be paid to all holders irrespective of the time when they retired from the service."

10.23 This is in fact a philosophical problem and not a practical one. Nevertheless, it is not easy to see why simply because duties and responsibilities do not remain the same over a period of time, the same pensions should not "be paid to all holders irrespective of the time when they retired from the Service". This conclusion appears merely to beg the question "why not?" without answering anything at all. Furthermore, it is not seen how when the Committee itself had conceded that the solution was equitable, it went on to reject it simply because it posed difficult problems. Realising the dilemma in which it had placed itself by rejecting a situation it considered equitable, the Committee went on to say in the paragraph that follows immediately thereafter that:

" It would be wrong, however, to read into the conclusion any suggestion that Government has no obligation towards its pensioners to make good in some part the fall in the value of money attaching to their pensions."

10.24 At the same time the Committee realised that all other solutions were fraught with even greater difficuties since they all appear to have led to very serious anomalies.

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For example, the following statement appears in page 7, paragraph 26 of the Report:

> " A preliminary examination of the manner in which pensions are calculated has revealed that the process of building up pensions in the manner set out in Treasury Circular No. 2 of 1953 results in a number of anomalies. There are, for example, officers who retired when salaries were low drawing higher pensions than officers who retired at a later date on higher basic salaries."

10.25 Despite such anomalies the Committee in its final Report, which is not readily available, apparently had recommended the continuance of the same old policies as those enshrined in Treasury Circular No. 2 of 1953. This is evident from the fact that the same practice has continued to remain until to-day. It is for this reason, as stated in paragraph 10.20 of this chapter, there are employees who are drawing lower pensions than those who retired before them. This problem will therefore continue to remain until a bold step is taken to find an equitable solution. The best such solution still appears to be the one that was rejected by the Select Committee in 1955.

10.26 Another reason why the solution was then not recommended, although this is not stated in the Report itself, was the non-availability of complete records on a number of pensioners, especially considering the fact that the year 1955 was just about 10 years after the end

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of World War II, when most Government records were either lost or destroyed. The question then arises as to whether the solution would be more feasible today, now that more than 30 years have elapsed since the end of the war. It is understood that the position is still not satisfactory since for a number of years even after the War no proper records were kept in respect of a large number of public employees. In view of this, if the exercise for the up-dating of records can be made effective from a date that does not go far back into history, it should be possible to carry out the exercise despite the fact that a number of difficulties would still remain. This being the position, it is felt that the risks appear to be worth taking, if by so doing, the long-standing problem concerning the position of pensioners can be expected to be solved over a reasonable period of time.

10.27 The problem that then remains is one of merely deciding on a convenient date from which such an exercise of up-dating of data pertaining to pensioners can be carried out meaningfully. After a very careful considera-tion of this problem, it is felt that the day following Malaysia Day, i.e. 1.9.1963, should prove a convenient and satisfactory date and at the same time historically very significant. Out of about 49,000 pensioners in existence now, approximately 25,500 or 52% retired after 1.9.1963. This is a substantial number with which to start such an exercise. It is accordingly recommended that in the case of all the pensioners who retired since 1.9.1963, their highest pensionable emoluments should be revised in accordance with the salary revisions that have taken place since then. A list of all known Service

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Circulars issued by the Federal Government since that date including their reference numbers, is given in APPENDIX 'A' to this Report. This may not be a complete list and so a search should be made of any other Service Circulars that may exist but are not included in this list. Similarly, action should be taken to obtain all the relevant information concerning revisions of salary scales in respect of employees in the Statutory and Local Authorities from the same date.

10.28 The exercise of such revisions of salary should take place on a notional basis for the period 1.9.1963 to 1.1.1975, inclusive of the revision exercise that will be carried out if this Report is accepted by the Government. Then the pensions eligibility of the pensioners concerned should be re-calculated, based on the new highest pensionable emoluments that is obtained as a result of such notional revisions; and, if the new pension benefits so derived are higher than those that the pensioners concerned are now in receipt of, the pensions payable should then be accordingly revised to the higher figure effective from 1.1.1975, which is also the date we have recommended for the effective implementation of the new clean wage scales proposed in this Report.

10.29 Thereafter, it is recommended that all the highest pensionable emoluments of all pensioners who have retired since 1.9.1963 should continue to be revised, each time the wage scale that pertains to them is revised in the future, in accordance with the Conversion Tables provided for the purpose. The same should be done if and when pension factors are revised, as is proposed in this Report. In order to carry out the proposals made in this

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Section, it is recommended that the staff of the Pensions Division of the Public Services Department should be adequately increased on a priority basis.

10.30 What has been proposed in the previous paragraphs only cover the position of 25,500 employees who have retired after 1.9.1963. This still leaves 23,500 pensioners, from whom there does not appear to be any easy solution immediately available. Their numbers would, however, continue to decrease as the years go by; but, in the meantime, their lot should not be left to ad hoc exercises as in the past. It is accordingly recommended that each time a general revision of salaries is made, their total pensions should also be increased by a proportion equal to the average percentage increase in salaries that is granted as a result of such general revisions. This should start with the current general revision that will have to take place if this Report is accepted by the Government. The general revision of salaries in this instance is expected to represent, on the average, an increase of about 10% in salaries. It is accordingly recommended that the pensions payable to those who retired prior to 1.9.1963 should be revised upwards by 10%

EFFECTIVE DATES

10.31 It has already been recommended that the effective date for the notional revisions of last-drawn salaries for pensioners who retired after 1.9.1963 should be the date of their respective retirement and the effective date for actual payment of pensions recalculated as a result of the notional revisions should be 1.1.1975. The question therefore now remains as to what should be the effective

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dates for the other recommendations made in this Report. As regards the new pensions factor that has been proposed, it is recommended that it should be made effective from 1.1.1970 for all public employees. This date is recommended because it is the common date from which the implementation of all the recent Reports on the revision of wages and terms and conditions of service, including the reduction in the pension factors, generally took effect. As regards the new aggregation principles that have been proposed, it is recommended that these too should be made effective from the same date, i.e. 1.1.1970. The E.P.F. contribution on the extended basis should take effect from 1.1.1975.

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C H A P T E R XI

FINANCIAL IMPLICATIONS

11.1 An attempt has been made at estimating the total additional costs that would be involved in implementing the recommendations contained in this Report if accepted in toto. This has not been an easy exercise, given the diversity of present wage scales and the innumerable terms and conditions of service that have had to be dealt with. These estimates are set out in the paragraphs that follow.

ESTIMATED ADDITIONAL COSTS

11.2 As has been explained in Chapter IV entitled "Application and Conversion", the only reason why a slightly modified form of the Suffian formula for purposes of converting the existing wage scales to the new scales has been adopted is to keep the total additional costs which will have to be incurred to the barest minimum possible. The actual cost of wage conversions will therefore not be too high. Although the value of most perquisites has been increased as a result of the new formula adopted for their determination, these too will not result in much additional cost as they would only be available to a negligible proportion of the total number of public employees and even then it is expected that at least part of them will be offset by some of the perquisites that have been either abolished altogether or reduced in quantum. Similarly, the revision in the superannuation benefits that has been recommended will not result in any appreciable immediate increases in cost since the new factor proposed will be applicable to the revised wages which will only take effect from 1.1.1975. Their full effect will, however, be felt in the long run, as would the cost of wage conversion.

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The additional cost of E.P.F. contributions should not be considered as additional costs at all since unless an employee resigns, dies or is dismissed, the employer would recover his share of the contributions with interests thereon as soon as the employee concerned reaches the age of 55 years. Judging from past trends, the total number of public employees who resign, die or are dismissed is negligible. The only really sizeable immediate increase that is envisaged would therefore be in the payment of the new rent allowance that has been recommended. In fact, this is also the most important item from the point of view of removing one of the most glaring and widespread of all anomalies, and which has been the greatest source of discontentment and frustration among public employees. Therefore, there does not appear to be any way of escape from the additional costs involved in trying to minimise the disparities that exist as a result of the present position of the inadequate number of public quarters that are available and the even more inadequate coverage and quantum of some of the housing allowances that are currently being paid.

Cost to Federal Government

11.3 The net total additional costs that would be involved, in so far as the Federal Government is concerned, i.e. in implementing all recommendations in respect of Federal employees and in implementing the new superannuation proposals in respect of both Federal and State employees are set out in Table 5. The basic data used in the calculation of these cost figures are given in the footnotes to the Table, and in the actual calculation itself certain methods of weighting and proportions have been used which,

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it is understood, have proved fairly accurate in the past. Wherever possible, however, the actual cost of implementation have been worked out based on the number of posts that exist in the Printed Estimates, scale by scale. The resulting figures should therefore be as close as any that can be obtained short of the actual implementation of the recommendations.

11.4 It will be seen from Table 5 that the net total additional cost to the Federal Government is expected to be of the order of $231.58 million or 10.53% of the total estimated actual expenditure incurred in 1974, in respect of personal emoluments, bonus payments, allowances and superannuation benefits. This will be the estimated cost of implementing the Report with effect from 1.1.1975 in respect of all public employees. However, since the effective date of implementing the perquisites would be a current date, i.e. the date of issue of the Service Circular, the total estimated cost would in fact be a little less than $231 million.

Cost to Other Employers

11.5 The additional costs that would be involved in so far as the State Governments and Statutory and Local Authorities are concerned have not been worked out. But since the pattern of expenditure of these employers would be about the same as that of the Federal Government, except for superannuation in respect of State Governments which is a Federal responsibility and which in any case is only a negligible item when viewed against overall total expenditure, the total increase in cost would not exceed, in terms of percentage, that of the Federal Government. If anything, they would be less and so the cost to them would be less than 10.53%.

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TABLE 5: TOTAL ADDITIONAL COST TO FEDERAL GOVERNMENT

No.	Items	Additional Cost $ million	Percentage increase on Total Expenditure
1.	Conversion Costs	99.79	4.54
2.	Rent Allowance	162.17	7.38
3.	Perquisites	5.00	0.23
4.	Superannuation	38.12	1.73
5.	Less Allowance Abolished	59.95	2.73
6.	Less Additional Income Tax	13.55	0.62
7.	Net Total	231.58	10.53

Footnotes:

(i) The total estimated actual expenditure, as obtained from the Accountant General for the year 1974, is $1,567.2 million in respect of personal emoluments, $378.56 in respect of allowances, $125.4 million in respect of bonus payments and $127.6 million in respect of superannuation, giving an overall total of $2,198.8 million. The percentages given in the last column of the Table are against this overall total.

(ii) Total number of Federal employees in 1974 has been estimated to be 280,000, including 70,000 in the Armed Forces and 42,000 in the Police Force. These figures have been used in the calculation of the cost of paying rent allowance on the basis that about 20% of civil servants, 60.44% of the Armed Forces

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and 60% of the Police Force personnel are at present housed. This means that 36.21% of the total number of Federal employees are already housed and would not be eligible for the rent allowance.

Long-Term Effects

11.6 The estimated additional costs given in the previous paragraphs are only meant to be the immediate cost of implementing this Report. There would also be the long-term increases as a result of the generally longer timescales that have been recommended for the lower income groups, the incremental superscales that have been provided for all income groups and the gradually increasing effects of the higher pensions factor recommended. It has not been possible to work out these long-term costs as they will depend on a number of variable and imponderable factors. It is not, however, envisaged that these long-term increases would be much higher than the present rate of increase, which is estimated to be around 5% per annum, except that a certain proportion of employees would continue to receive annual increments for a slightly longer period than before.

General Comments

11.7 The additional cost of around 10.5% that will be involved would be the minimum that would be required if the existing anomalies are to be removed or at least reduced to an extent that they would no longer constitute a serious problem which could lead to industrial unrest on country-wide basis, particularly at this time when the Government and the nation could least afford any such unrest. It is also considered a fair price to pay in order to achieve, in fact for the first time, the establishment of definite

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horizontal and vertical relativities between wage scales based on defined principles which will improve the efficiency of administration of the public service.

ISSUE OF NEGOTIABLE BONDS

11.8 It is possible that even the modest increases in cost proposed might result in financial difficulties, both for the Federal Government and the other employers concerned. This would be so particularly at this time when all the employers concerned are facing cash difficulties. However, judging from the economic reports made public by the Government, it would appear that all the difficulties that are being currently faced by the nation are only temporary in nature and the situation is expected to improve at the latest by the end of the current year, with faster economic recovery taking place as from the following year onwards. If such forecasts prove true, there would in fact be no difficulties in meeting the commitments involved in the acceptance of the recommendations contained in this Report, since at least part of the extra costs involved will only be felt in the long run, by which time not only the financial position of the Government is expected to improve but also it should be possible to make appropriate budgetary and other adjustments that would enable easy absorption of the additional costs involved.

11.9 The financial problems, if any, therefore, appear to be only immediate and temporary. This being the case, it is suggested that in the event it proves difficult in the immediate future to meet any of the additional costs involved, resort might be had to measures designed to postpone cash payments to a future date when the cash position can be expected to improve. One such measure is

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the issue of negotiable bonds, bearing a fixed rate of interest not lower than that paid by the National Savings Bank, to be redeemable at an appropriate future date. Such bonds may be issued, if required, based on the proportions suggested in Table 6. It will be seen from this Table that for **all** clean wage beyond $1,000, a certain proportion should be paid in cash with the balance being paid in negotiable bonds. In other words, the higher the clean wage of an employee, the bigger the proportion of it that he would receive in bonds. A graduation of this kind should not cause undue hardships to any employee.

11.10 An arrangement of this kind will not only enable the employers concerned to tide over what has been described as a temporary but difficult financial situation, but would also, at the same time, inculcate the spirit of saving especially among employees in the higher income levels. Those who require immediate cash to meet urgent commitments or an emergency will still be free to discount their bonds on the local money market. The net effect of this would be a loan, either from the public employees or the private enterprise to the Government. This would, therefore, be in effect no different from the current practice of the Government in raising loans from the local money market at fixed rates of interest. Furthermore, and what is perhaps even more important, it will have a dampening effect on any inflationary pressures that might otherwise arise from the increases in remuneration of public employees proposed in this Report, stemming largely from an effort to co-ordinate wages and terms and conditions of service in the entire public sector.

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TABLE 6: POSSIBLE PROPORTIONS FOR BONDS ISSUE

Monthly Clean Wage	PAYMENTS	
	In Cash	In Bonds
Up to $1,000	$1,000 (100%)	$Nil (0%)
$1,000 to $2,000	900 (90%)	100 (10%)
Up to $2,000	1,900 (95%)	100 (5%)
$2,000 to $3,000	800 (80%)	200 (20%)
Up to $3,000	2,700 (90%)	300 (10%)
$3,000 to $4,000	700 (70%)	300 (30%)
Up to $4,000	3,400 (85%)	600 (15%)
$4,000 to $5,000	600 (60%)	400 (40%
Up to $5,000	4,000 (80%)	1,000 (20%)
$5,000 to $6,000	500 (50%)	500 (50%)
Up to $6,000	4,500 (75%)	1,500 (25%)

N.B.: Bonds are to be issued in multiples of $100 only.

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C H A P T E R XII

SUMMARY OF RECOMMENDATIONS

12.1 It will be seen that throughout this Report, a number of suggestions, proposals and recommendations have been made on all aspects of service in the public sector. In order to avoid ambiguity and possible misinterpretations, a draft Service Circular has been prepared, incorporating all these suggestions, proposals and recommendations in instruction form, and is attached herewith as APPENDIX 'B' for issue after checking for accuracy of existing salary scales and terms and conditions of service. For ease of reference, the major recommendations contained in this Report have been summarised in the paragraphs that follow. This summary should, however, be read in its proper context and not in isolation from the rest of this Report and should not be treated as being exhaustive. In the event that what is summarised here lends itself to an interpretation different from the actual recommendations made in the relevant Chapters, what is stated in the Chapters should prevail.

GENERAL PRINCIPLES (Chapter I)

12.2 The general principles that govern the determination of remuneration in the public sector should be as follows:

(i) Rate for the Job: Employees should be paid for the job, i.e. wages should be related to the duties and responsibilities of the job so that the more skilled its duties and the more onerous its responsibilities, the bigger should be the wage;

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(ii) Fair Comparison: In the determination of the terms and conditions of employment in the public services, cognizance should be taken of similar factors in the private sector, bearing in mind the need to ensure an adequate flow of qualified recruits to join and remain in the public services;

(iii) Qualifications and Training: The initial wage should be related to the minimum entry qualifications required for the job and the training and examinations which have to be passed before and after joining the service;

(iv) Economic Forces: Wages paid in the public sector should take cognizance of the major economic forces in operation in the economy of the country, particularly those which affect real wages having regard to the current purchasing power of money, to ensure that the rate payable for a job and the fair comparison relativities do not get unduly distorted as a result of these forces;

(v) Clean Wage: Salaries should be in the form a clean wage for all groups of employees and no extra remuneration over and above the clean wage should be paid except when they are meant to be temporary, e.g. relief allowances, or when they cannot, for specified reasons, be incorporated into the clean wage of all the employees

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in a given group, e.g. dhobi allowance which is paid only to those employees who are required to be in uniforms in any given group of employment.

(Paragraph 1.8)

ECONOMIC AND SOCIAL FACTORS (Chapter II)

12.3 The differential in remuneration and fringe benefits that exist between the public and private sectors of the economy for broadly comparable groups of employees should be reduced without aiming for a complete elimination.

(Paragraph 2.16)

12.4 Immediate adjustments should be made to the wages obtaining in the public sector of Malaysia, taking into account the erosion in the purchasing power of money and the economic growth that have taken place since the Suffian Report was submitted, subject to the current financial position of the Government and other employers of public employees, and the need to co-ordinate all existing clean wage scales in the public sector.

(Paragraph 2.30)

WAGE STRUCTURE AND SCALES (Chapter III)

12.5 The General Scale from which all clean wage scales should be derived for use in the entire public sector should have a total of 72 steps as follows:

150x5-190x15-325x30-595x50-1,045x75-
1,720x100-2,620x150-3,970x200-5,170x250-5,920

(Paragraph 3.8)

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12.6 All public employees should be categorised into five broad groups for purposes of wage determination as follows:

(a) PS Group - representing employees with Primary Education and/or Skills.

(b) LC Group - representing employees with the Lower Certificate of Education or similar qualifications.

(c) SC Group - representing employees with the School Certificate or similar qualifications.

(d) HD Group - representing employees with the Higher School Certificate, Diploma or similar qualifications.

(e) DF Group - representing employees with a Pass or Honours Degree or Further (Higher) qualifications.

(Paragraph 3.9)

12.7 The clean wage scales that should be used for the various groups of employees in the public sector, as classified in the previous paragraph, should be as set out in paragraphs 3.23 to 3.40 of this Report, i.e. a total of 72 common user scales.

12.8 Neither the scales recommended should be modified nor should any new scales be created without due regard to the pattern established in this Report for the construction of clean wage scales. All claims and requests for variations in wage scales should henceforth be based on reasons such as change in the required entry qualification, departmental examinations or in the quality of work required to be performed.

(Paragraph 3.21)

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12.9 The probationary periods for the different levels of employment should be based on the new divisional classifieation of public employees as follows:

(a) Division I - 3 years
(b) Division II - 2 years
(c) Division III - 1 year
(d) Division IV - 6 months

(Paragraph 3.44)

12.10 The practice of inserting probationary, examination, and efficiency bars in clean wage scales should be discontinued.

(Paragraph 3.46)

12.11 Letters of appointment sent to new recruits should specifically state, firstly, the conditions required for purposes of confirmation and secondly, the examinations, if any, required to be passed for purposes of earning increments and the penalties that would be involved respectively if any of these requirements are not within the stipulated periods.

(Paragraph 3.46)

12.12 If a second or subsequent examinations are required to be passed by an employee, they should only be required for purposes of promotion and not for purposes of withholding increments at any point on the timescale.

(Paragraph 3.47)

12.13 There should be no wage jumps provided as a reward for passing examinations as these, where necessary, have been taken into account in the actual construction of the

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wage scales or by way of higher entry points into the services concerned, or by a combination of both factors.

(Paragraph 3.49)

APPLICATION AND CONVERSION (Chapter IV)

12.14 The general principles that should be used in determining the application of the new clean wage scales to the existing schemes should be as follows:

(a) Every academic year spent in any educational institution, e.g. in primary and secondary schools, colleges and universities, should carry three points. In the case of colleges and universities, care should be taken to draw a distinction between academic courses and specially-designed training courses for specific fields of employment such as teaching and nursing.

(b) Every full-time training year spent either in a specially-designed training institution or in an otherwise academic institution should be given two points.

(c) All fields of employment which require a technological or a scientific education or training should be granted two points. This should also include all fields of employment which require artistic talents.

(d) All technical departmental examinations taken together should be given one point.

(e) Every year of relevant experience should be given one point subject to the maximum of the timescale concerned, i.e. experience in

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a related job done elsewhere prior to entry into the service concerned.

(Paragraph 4.2)

12.15 In the final determination of the clean wage scale that should be used for a particular scheme of service or the entry points, the totality of the situation should be the deciding factor, taking into consideration all the related schemes.

(Paragraph 4.3)

12.16 Based on the above principles, application of the new clean wage scales for serving as well as new employees should be as follows:

(a) All categories of employment which require a minimum entry qualification of a primary education, a lower secondary education but without the LCE and/or manipulative skills, should use the PS wage scales as follows:

(i) PS(K-3): For General Labour where the minimum educational qualifications are not specifically stated or required in practice;

(ii) PS(K): For Subordinate Office workers, for whom the minimum educational qualification required is Standard VI primary education;

(iii) PS(K+3): For employment that is classified as semi-skilled, which requires a full primary education;

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(iv) PS(K+6): For employment which requires a minimum entry qualification of some lower secondary education plus apprenticeship training certificates or their equivalents;

(b) All categories of employment for which the minimum entry qualification is a secondary education, but without the School Certificate should use the LC wage scales as follows:

(i) LC(K-3): Where the minimum entry qualification does not quite come up to the LCE level or where a scheme is in the process of transition from a primary education scheme to an LCE scheme;

(ii) LC(K): Where the minimum entry qualification is the LCE or its equivalent;

(iii) LC(K+3): Where the minimum entry qualification is the LCE plus two or three years of training in a full-time institution.

(c) All categories of employment which require the School Certificate or its equivalent should use the SC wage scales as follows:

(i) SC(K-3): Where the entry qualification required is not quite equal to the School Certificate or where a scheme is in the process of transition from an LCE to an SC scheme;

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(ii) SC(K): Where the minimum entry qualification is the School Certificate or its equivalent;

(iii) SC(KU): Meant only for certain grades of employees in the Uniformed Services, as a transitional measure;

(iv) SC(K+3): Where the minimum entry qualification is the School Certificate plus two or three years of training in a full-time institution.

(d) All categories of employment which require the HSC or an academic Diploma or their equivalents should use the HD wage scales as follows:

(i) HD(MK-3): Where the minimum requirement is not quite equal to an HSC or where a scheme is in the process of transition from an SC scheme to an HSC scheme;

(ii) HD(MK): Where the minimum entry qualification is either the HSC or its equivalent or an SC plus three or four years training in a full-time institution;

(iii) HD(K): Where the minimum entry qualification is a three-year academic Diploma or its equivalent;

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(iv) HD(K+3): Where the minimum entry qualification is higher than the Diploma but not quite equal to a Pass Degree.

(e) All categories of employment where the minimum entry qualification is a degree or higher (further) qualifications, should use the DF wage scales as follows:

(i) DF(MK-3): Where the entry qualification does not quite reach a pass degree level and non-recognised degree services or where a scheme is in the process of transition from a Diploma or HSC scheme to a pass degree scheme;

(ii) DF(MK): Where the minimum entry qualification is a Pass Degree or its equivalent;

(iii) DF(K): Where the minimum entry qualification is an Honours Degree or its equivalent;

(iv) DF(K+3): Where the minimum entry qualification is a Masters Degree or its equivalent or a higher (further) qualification.

(Paragraph 4.4)

12.17 A slightly modified Suffian formula should be used for purposes of conversion from the present to the new clean wage according to which conversion in all cases should be to the next higher point on the corresponding new wage scales. Thereafter, all employees who have

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remained on the maximum of a clean wage scale or on a fixed point for more than one year, should also be given one increment.

(Paragraph 4.9)

12.18 Since the conversion formula adopted involves situations where two or more steps on the existing clean wage scales will convert to a single step on the new clean wage scales, it is recommended that the incremental dates of the employees concerned should be changed in order to ensure seniority of the employees concerned. This should be done in accordance with the schedules provided for the purpose in Annexure II to APPENDIX 'B'.

(Paragraph 4.13)

12.19 It is recommended that the new clean wage scales proposed should be implemented with effect from 1.1.1975 for all employees (including those on contracts).

(Paragraph 4.14)

HOUSING SUBSIDY (Chapter V)

12.20 A rent allowance based on the clean wage payable to public employees should be paid at the following rates in the localities indicated:

(i) 17.5% of clean wage in the City of Kuala Lumpur (including Petaling Jaya);

(ii) 15% of clean wage in George Town, Butterworth, Kuala Trengganu, Seremban, Klang, Kota Bahru, Kuantan, the District of Kuala Lumpur outside the city limits and outside Petaling Jaya, Ipoh, Johore Bahru, Kota Kinabalu, Sandakan, Tawau, Kuching, Miri and Sibu; and

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(iii) 12.5% of clean wage in all other areas.

(Paragraph 5.11)

12.21 Rent allowances at these rates should be paid, effective from a current date, to all employees in the public sector who have not been provided with any form of accommodation by the employer, including those who have or have not built their own houses with the assistance of loans provided by their respective employers.

(Paragraph 5.12)

12.22 The rent allowances should be deemed to be non-taxable in order to reduce the differential that would otherwise exist between those who are housed and those who are not.

(Paragraph 5.13)

12.23 With the payment of the rent allowance, all the housing allowances and economic rentals that are payable at present should be abolished.

(Paragraph 5.14)

12.24 Since it is the policy of the Government to ensure that not only public employees are housed in their own homes but also all Malaysian Citizens, it is strongly felt that the problem of housing public employees should form part and parcel of the policy and programme of the Ministry concerned in order to ensure that what is being done for public employees is in line with the National Policy and programme.

(Paragraph 5.15)

12.25 The amount of loans provided by the Housing Assistance Scheme, based on the revised clean wage scales of public employees, should be as follows:

Monthly Clean Wage				Maximum Eligibility
From	$150	to	$249	$8,000
"	250	"	399	12,000
"	400	"	599	20,000
"	600	"	799	30,000
"	800	"	999	34,000
"	1,000	"	1,299	45,000
"	1,300	"	1,800	58,000
"	1,900	"	2,149	66,000
"	2,150	"	2,499	78,000
"	2,500	"	2,999	90,000
"	3,000	"	3,999	110,000
"	4,000	and	above	135,000

(Paragraph 5.17)

12.26 These revised amounts of loans should be made effective from a current date, but where loans have already been approved but have not yet been taken up in full, they may be revised, if situation warrants it, based on the ceilings recommended.

(Paragraph 5.18)

12.27 The interest charged on loans provided under the Housing Assistance Scheme should be reduced from 4% to 3% per annum, effective from 1.1.1970.

(Paragraph 5.20)

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COLA AND BONUS (Chapter VI)

12.28 A regional allowance should be paid at the rate of 25% of the monthly clean wage to public employees in Sabah and at the rate of 10% to public employees in Sarawak, to be effective from a current date, i.e. the date on which the Service Circular implementing this recommendation is issued.

(Paragraph 6.4)

12.29 The Special Relief Allowance payable at present should be abolished effective from the date of implementation of the new wage structure.

(Paragraph 6.10)

12.30 The present one-month bonus should continue to be paid quarterly, based on the new clean wage scales recommended. In calculating arrears, payments which have already been made should be deducted from the total bonus payable based on the recommended new clean wage.

(Paragraph 6.12)

PERQUISITES (Chapter VII)

12.31 Perquisites, both cash and kind, should be classified into four main categories, viz. common, reimbursable, responsibility and other perquisites.

(Paragraph 7.4)

12.32 Common perquisites are those perquisites that are applicable to all public employees in general or in a defined geographical locality; and where, in order to be eligible for such perquisites, neither any outlay, either in cash or kind, nor any extra qualifications or experience are required on the part of the employee, nor any additional responsibilities are required to be performed by the employee concerned.

(Paragraph 7.5)

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12.33 Reimbursable perquisites should be those that involve certain outlays on the part of the employee concerned, be it in the form of cash or kind or both, which are then reimbursed by the employer. Dhoby allowance, time-off and overtime payments are examples of reimbursable perquisites.

(Paragraph 7.6)

12.34 Responsibility perquisites should be treated as remuneration for the performance of duties which do not fall within the normal run of activities to be performed by a given category of employees. It is recommended that responsibility allowances be categorised into:

(a) Responsibility (Acting) Allowance;

(b) Responsibility (Charge) Allowance;

(c) Responsibility (Specialist) Allowance; and

(d) Responsibility (Additional) Allowance.

(Paragraph 7.8)

12.35 A Responsibility (Acting)Allowance should be equal to the full difference between the clean wage of the substantial post of an employee and that of the higher post which he is covering on a full-time basis for the time being.

(Paragraph 7.11)

12.36 A Responsibility (Charge) Allowance should be equal to three increments based on the substantive clean wage scale of an employee who is required to cover the duties of another post in addition to his own. Such posts should include posts on the permanent establishment as well as those relating to Chairman, Director, Member or an Executive of a Statutory Body, Local Authority, Corporation, Company

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or of any other body for whatever purpose established. No public employee should be permitted to draw more than two charge allowances at any one time.

(Paragraph 7.11(b))

12.37 A Responsibility (Specialist) Allowance should be equal to a maximum of two increments based on the substantive clean wage scale of the employee concerned, where the training period required for acquiring the specialist qualification concerned is equal to or more than one academic year. If the period is less than one year, the amount should be proportionately reduced. Where the training concerned is technological or scientific in character, the allowance should be increased by a further two increments if the substantive clean wage scale of the employee concerned does not already include this bias.

(Paragraph 7.11(c))

12.38 A Responsibility (Additional) Allowance equal to one increment should be paid to employees who are required to perform new and additional functions which are of a temporary nature and for which normally additional posts ought to be created but where no such posts have been created for reasons of economy or otherwise.

(Paragraph 7.11(d))

12.39 All other perquisites such as incentive, stripe and standstill allowances, which do not fall within the definition of any of the three types of perquisites, i.e. common, reimbursable and responsibility, mentioned in paragraphs 12.31 to 12.37 above, should be abolished. But for purposes of conversion into the new clean wage scales, it has been recommended that only wherever appropriate

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these allowances should be taken into account to ensure that serving employees who are in receipt of these allowances will not suffer a loss in their total take-home pay.

(Paragraph 7.12)

12.40 An attempt to standardise all the perquisites that exist, both from the standpoint of eligibility and quantum has been made. As such, the guidelines recommended and established should be adhered to strictly.

(Paragraph 7.13)

12.41 The Employment Ordinance, 1955, should be suitably amended to regularise the position of overtime payments in the Public Sector.

(Paragraph 7.19)

CONSEQUENTIAL REORGANIZATION (Chapter VIII)

12.42 Henceforth recruitment and the creation of posts in the public sector, should be co-ordinated and controlled by an appropriate central agency. In order to achieve this, appropriate amendments must be made to the respective legislation governing Statutory and Local Authorities, including the Malayan Railway.

(Paragraph 8.6)

12.43 All schemes of service should provide for promotion grades which should include a special grade and, if desirable and appropriate, superscale posts.

(Paragraph 8.7)

12.44 Every scheme of service should spell out what prospects of advancement would be available to the employees outside of the scheme concerned, indicating what experience

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or what additional academic or professional qualification and/or training would be required to take advantage of such advancement opportunities.

(Paragraph 8.7)

12.45 Wherever an employee with experience in lieu of academic or professional qualifications is permitted to seek appointment to a higher grade of service, the number of years required to qualify for such higher appointments should henceforth be based on the points system adopted in the construction of the new clean wage scales, i.e. three years of experience in lieu of one academic year.

(Paragraph 8.8)

12.46 A complete re-organization should be carried out at the level of the ex-IMG grades so as to ensure that there are distinguishable schemes of service, each with its own promotion prospects indicating, at the same time, all other avenues of advancement available for the more enterprising employees.

(Paragraph 8.10)

12.47 Recommendations for the re-organization of other Services and Departments in the Government section of public employment are set out in paragraphs 8.13 to 8.74 of Chapter VIII.

12.48 Statutory and Local Authorities should undertake a re-organization of their respective Services and Departments along the lines indicated for their counterpart Services and Departments in Government, and in respect of all other areas of employment along the lines indicated by the provision of the new clean wage scales.

(Paragraph 8.81)

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MISCELLANEOUS (Chapter IX)

12.49 All public departments should observe standard hours of work, i.e. the gross normal working hours should be 44¾ hours per week, the net of which is 38½ hours; and, the gross shift hours should be 42 hours per week, the net of which is 38 hours. Educational institutions should be an exception to this rule on condition that inclusive of time required for preparatory work and extra-mural activities, they would also work similar hours.

(Paragraphs 9.3 and 9.4)

12.50 A central authority should maintain a record of employees who, through their own initiative and effort, have acquired higher academic or professional qualifications and these employees should be given first opportunity for appointment to higher services which require the higher qualifications they have obtained.

(Paragraph 9.6)

12.51 Secondment of employees from the Government Service to the service of Statutory and Local Authorities should only be done when it is absolutely essential and as far as possible this should be discouraged. However, should secondment be found necessary, then it should done only where it is possible to release the best available employees concerned for the purpose in hand.

(Paragraph 9.7)

12.52 The secondment term should be limited to a total period of only two years. But, in cases where it has been found necessary to second employees for longer periods than two years, the seconded employees should, on completion of their second year of secondment, be given the

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option to become permanent in the schemes to which they have been seconded, together with the guarantee that all their previous service in Government or Statutory and Local Authorities would be taken into account for purposes of calculating superannuation benefits.

(Paragraph 9.8)

12.53 The seconded employees should, in the event that the clean wage scale of their seconded service is revised, be granted the benefits of such revision, i.e. the difference between their substantive wages drawable from their parent service and the clean wage carried by the point to which their seconded wages would convert to on the revised clean wage scale of their seconded service.

(Paragraph 9.9)

12.54 Any seconded employee whose seconded clean wage has not been converted under the recent revisions of wages, should first be converted accordingly before being converted again, if this report is implemented.

(Paragraph 9.10)

12.55 Contract posts meant for personnel who are required to give advice and guidance during the initial years of a project or on any special problem should continue to remain contract in nature.

(Paragraph 9.12)

12.56 All contract posts, other than those mentioned in the previous paragraph, should be reviewed forthwith and made permanent. The incumbents of such posts should be given the option of becoming permanent on the usual terms, viz. that all their previous service should be considered for purposes of pensions on their surrender of

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all gratuities collected up to the time of absorption into permanency.

(Paragraph 9.12)

12.57 Foreign citizens on contract holding cadre posts should continue to remain on contract. Malaysians engaged on contract terms to fill cadre posts should, however, be offered the option of being absorbed into the permanent establishment on the same terms as those stated in paragraph 12.55 above with the proviso that their seniority on absorption will rank below those who are already on the permanent establishment.

(Paragraph 9.15)

12.58 All the perquisites recommended in Chapters V, VI and VII should be extended to contract employees as a matter of course. They should not be eligible for housing loans, but should be paid the rent allowance applicable to their counterparts in the permanent service.

(Paragraph 9.16)

12.59 It is suggested that non-PSC contract holders should also be treated in the same way as the PSC contract holders.

(Paragraph 9.18)

12.60 Direct recruits who undergo pre-service training should, in all cases, be only paid an allowance for the duration of the training period and the training period should not be considered as periods qualifying for pension.

(Paragraph 9.19)

12.61 Provision of pre-service training should be made a general practice in all cases of recruitment into the

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public service wherever specialised training is required for the efficient performance of the task concerned.

(Paragraph 9.20)

12.62 If it is the intention to pay any allowances on compassionate grounds or to introduce any relief measures in the future, these should be done through an appropriate agency appointed for the purpose such as the Ministry of Social Welfare, and not as part of remuneration.

(Paragraph 9.23)

12.63 The relationship between the public and private sectors should be such that there should be no attempt made as a matter of policy to eliminate all inequalities that might exist between them.

(Paragraph 9.26)

12.64 It is felt that the deductible amount from the taxable income of an employee with fige children should be increased to lend meaning to our proposals for the revision of wages.

(Paragraph 9.29)

SUPERANNUATION (Chapter X)

12.65 Full pension should be calculated based on a factor of 1/450, subject to a maximum of 2/3rds of an employee's highest-drawn clean wage, i.e. an employee should be able to draw the maximum pension on completion of a period of service of 300 months or 25 years. For all periods of service over and above the 300 months, he should be granted an additional element of gratuity calculated at the rate of 5% of his highest-drawn clean wage for every extra month of such service.

(Paragraph 10.9)

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12.66 On retirement, an employee should be granted the option of receiving full pension or a reduced pension at the rate of three-fourths the full pension and a lump sum gratuity calculated at the rate of one-fourth the annual full pension multiplied by the factor of 12.5 representing 12½ years. In the event he opts for full pension, he should also be paid, at the time of retirement, a gratuity at the rate of 5% of highest-drawn pensionable emoluments for every extra month of service he had put in over and above the 300 months required to maximise his pension under the pension formula. If he should opt for a reduced pension and a lump sum gratuity, the extra gratuity, if payable for any extra month of service standing to his credit, should also be paid to him over and above his lump sum gratuity. If he opts for reduced pensions and lump sum gratuity and survives 12½ years after retirement, his full pension should be restored in accordance with the recently-amended provisions of the Pensions Ordinance.

(Paragraph 10.10)

12.67 The proportion used for the calculation of gratuity for contract employees should be 17.5% of monthly clean wage.

(Paragraph 10.13)

12.68 All contracts should henceforth uniformly provide for the payment of gratuities in the proportion of 17.5% of monthly clean wage. Employees who have retired and have been superannuated but who are re-employed on a contract basis, should also be paid gratuities for current services in accordance with the rate for the job principle.

(Paragraph 10.14)

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12.69 All public employees should be emplaced on the pensionable establishment only after a period of 10 years and during the period of the first 10 years the employer and employee concerned should contribute to the EPF a sum equal to 10% and 5% respectively of the employee's monthly clean wage. In the event an employee dies within a period of 10 years, his estate should be permitted to receive a death-in-harness gratuity in accordance with the provisions of the Pensions Ordinance or the EPF contributions. If necessary, the Pensions Ordinance should be amended to permit this. Similarly, on retirement, the employee himself should be granted the option to receive either the EPF contributions or his pension benefits. In the event, in either case, the option is for the benefits provided for under the Pensions Ordinance, the employee or his estate as the case may be, should be entitled to recover his own contributions to the EPF, with all interest that would have accrued thereon.

(Paragraph 10.15)

12.70 All broken periods of service should be allowed to be aggregated for purposes of calculating pensions, except service which was broken due to voluntary resignation and dismissal on disciplinary grounds. In the case of voluntary resignation, the only exceptions to be made are those mentioned in paragraphs 10.17(a), (b), (c) and (h) of this Report, subject to item (c) being effective from 1.1.1973 and item (h) having no break in service. The principle of aggregation should be interpreted to include all periods of service of an employee spent in the service of the Government and Statutory and Local Authorities. No distinction should be made between tem-

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porary service and permanent service for purposes of calculating pensions.

(Paragraph 10.18)

12.71 The last-drawn clean wage of all pensioners who retired since 1.9.1963 should be revised in accordance with the wage revisions that have taken place since then.

(Paragraph 10.27)

12.72 The exercise of revisions of wage mentioned in the previous paragraph should take place on a notional basis for the period 1.9.1963 to 1.1.1975, inclusive of the revision exercise that will be carried out if this Report is accepted by the Government. Then the pensions eligibility of the pensioners concerned should be re-calculated, based on the new last-drawn clean wage that is obtained as a result of such notional revisions. If the new pension benefits so derived are higher than those that the pensioners concerned are now in receipt of, the pensions payable should then be accordingly revised to the higher figure effective from 1.1.1975.

(Paragraph 10.28)

12.73 Thereafter, all the last-drawn emoluments of all pensioners who have retired since 1.9.1963 should continue to be revised, each time the clean wage scale that pertains to them is revised in the future, in accordance with the conversion tables provided for the purpose. The same should be done if and when pensions factors are revised.

(Paragraph 10.29)

12.74 The total pensions of those who retired prior to 1.9.1963 should be revised upwards by a proportion equal to the average percentage increase in wages that is granted

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as a result of such general revisions. For purposes of the general revision of wages that would take place if this Report is accepted for implementation, the pensions payable to those who retired prior to 1.9.1963 should be revised upwards by 10%.

(Paragraph 10.30)

12.75 The new pensions factor that has been proposed should take effect from 1.1.1970 for all public employees. The new aggregation principles recommended in this Report should also be made effective from 1.1.1970. The E.P.F. contribution on the extended basis should take effect from 1.1.1975.

(Paragraph 10.31)

FINANCIAL IMPLICATIONS (Chapter XI)

12.76 The immediate cost to the Federal Government of implementing all the recommendations contained in this Report with effect from 1.1.1975 in respect of all public employees is expected to be in the region of $231.58 million or 10.53% of the total estimated actual expenditure for 1974. i.e. in respect of personal emoluments, bonus payments, allowances and superannuatiin benefits. However, since a current date for the implementation of perquisites has been recommended, the total estimated cost to the Government will, in fact, be a little less than $231 million.

(Paragraph 11.4)

12.78 The additional costs that would be incurred by the State Governments and Statutory and Local Authorities would not exceed in terms of percentage the additional costs incurred by the Federal Government, i.e. about 10% since the pattern of expenditure on employment of these employers is similar.

(Paragraph 11.5)

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12.79 In the event of immediate cash difficulties, the Government should resort to the issue of negotiable bonds redeemable at an appropriate future date, bearing interest rates not lower than that payable by the National Savings Bank. These bonds may be issued in accordance with the proportions suggested in Table 6.

(Paragraph 11.9)

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APPENDIX 'A'

LIST OF SALARY REVISIONS FROM 1.9.1963

No.	Service	Salary Scales	Effective Date and Reference
1.	Stenographer	Timescale :	1.10.63
		Old Scale : $253x14-351/366 x 14 - 422	Service Circular
		New Scale : $253x14-351/366 x14-436	No: 5/64.
		Special Grade :	
		Old Scale : $450x20-530	
		New Scale : $450x20-570	
		Superscale 'C' :	
		Old Scale : $580.	
		New Scale : $594.	
		Superscale 'B' :	
		Old Scale : $652.	
		New Scale : $666.	
2.	Pass Degree Services	Probationer :	1.12.63
(a)	Labour Officers and Assistant Commissioners Changed to Junior Assistant Commissioners and Senior Assistant Commissioners	School Certificate - Old Scale : $268x14-282 New Scale : $280x20-320 Higher School Certificate - Old Scale : $296x14-310 New Scale : $350x20-390 Pass Degree - Old Scale : $324x14-352 New Scale : $420x20-460 Timescale - Old Scale : $420x14-518/538 x18-700 New Scale : $504x28-812	Service Circular No: 8/65

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No.	Service	Salary Scales	Effective Date And Reference
		Superscale :	
		Old Scale : $754x28-866	
		New Scale : $863x28-1087	
		Assistant Commissioner :	
		Old Scale : $614x28-833/863 x28-1087	
		New Scale : $863x28-1087	
(b)	Assistant Custom Officer (Title Changed to Superintendent of Custom)	Probationer :	1.12.63 Service Circular No: 8/65
		Old Scale : $324x14-352	
		New Scale : $420x20-460	
		Timescale :	
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812	
		Special Grade :	
		Old Scale : ---	
		New Scale : $863x28-1087	
(c)	Assistant Statistician (IMR)	Timescale :	1.12.63 Service Circular No: 8/65
		Old Scale : $538x18-700	
		New Scale : $504x28-812	
(d)	Assistant Botanist (Forestry)	Probationer :	1.12.63 Service Circular No: 8/65
		Old Scale : $324x14-352	
		New Scale : $420x20-460	
		Timescale :	
		Old Scale : $420x14-518	
		New Scale : $504x28-812	
(e)	Assistant Examiner And Examiner (Inland Revenue Department)	Probationer :	1.12.63 Service Circular No: 8/65
		Old Scale : $324x14-352	
		New Scale : $420x20-460	
		Timescale :	
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812.	

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No.	Service	Salary Scales	Effective Date And Reference
(f)	Chemist Assistant (Forestry)	Probationer :	
		Old Scale : $324x14-352	1.12.63
		New Scale : $420x20-460	Service
		Timescale :	Circular
		Old Scale : $420x14-518/538 x18-700	No: 8/65
		New Scale : $504x28-812	
(g)	Deputy Assistant Controller of Immigration and Deputy Passport Officer (Home Affairs)	Timescale :	1.12.63
		Old Scale : $420x14-518/538 x18-700	Service
		New Scale : $504x28-812	Circular
			No: 8/65
(h)	Co-operative Officer and Assistant Commissioner for Co-operative Development.	Probationer :	1.12.63
		Old Scale : $268x14-352	Service
		New Scale : $420x20-460	Circular
		Timescale :	No: 8/65
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812	
	Assistant Commissioner (Assistant Registrar)	Old Scale : $754x28-866	
		New Scale : $863x28-1087	
(i)	Social Welfare Officer	Probationer :	1.12.63
		Old Scale : $324x14-352	Service
		New Scale : $420x20-460	Circular
		Grade II :	No: 8/65
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812.	

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No.	Service	Salary Scales	Effective Date And Reference
		Grade I :	
		Old Scale : $754x28-866	
		New Scale : $863x28-1087	
		Special Grade :	
		Old Scale : $614x28-838/863 x28-1087	
		New Scale : $863x28-1087	
(j)	Statistical Officer, Department of Statistics	Probationer :	1.12.63
		Old Scale : $324x14-352	Service
		New Scale : $420x20-460	Circular
		Timescale :	No: 8/65
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812	
(k)	Statistics Officer Labour and Industrial Relations	Probationer :	1.12.63
		Old Scale : $324x14-352	Service
		New Scale : $420x20-460	Circular
		Timescale :	No: 8/65
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812	
(l)	Trade Union Registration Officer.	Probationer :	1.12.63
		Old Scale : $268x14-352	Service
		New Scale : 420x20-460	Circular
		Timescale :	No: 8/65
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812	
(m)	Taxidermist	Old Scale : $197.50x7.50-280/ 296x14-422	1.12.63
		New Scale : $504x28-812	Service Circular No: 8/65

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No.	Service	Salary Scales	Effective Date And Reference
(n)	Teacher In English Schools.	Timescale : Old Scale: $420x14-518/538 x18-700 New Scale : $504x28-812 Special Grade : Old Scale : $754x280866 New Scale : $860x28-1087	1.12.63 Service Circular No: 8/65
(o)	Research Assistant (External Affairs)	Probationer : Old Scale : $324x14-352 New Scale : $420x20-460 Timescale : Old Scale : $420x14-518/538 x18-700 New Scale : $504x28-812	1.12.63 Service Circular No: 8/65
(p)	Ecologist Assistant Forestry.	Probationer : Old Scale : $324x14-352 New Scale : $420x20-460 Timescale : Old Scale : $420x14-518/538 x18-700 New Scale : $504x28-812	1.12.63 Service Circular No: 8/65
(q)	Film Librarian, Information And Broadcasting	Probationer : Old Scale : New Scale : $420x20-460 Timescale : Old Scale : $420x14-518/538 x18-700 New Scale : $504x28-812	1.12.63 Service Circular No: 8/65
(r)	Information And Senior Information Officer	Probationer : Old Scale : $324x14-352 New Scale : $420x20-460	1.12.63 Service Circular No: 8/65

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No.	Service	Salary Scales	Effective Date And Reference
		Timescale :	
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812	
		Special Grade :	
		Old Scale : $754x28-866	
		New Scale : $863x28-1087	
		Senior Information Officer :	
		Old Scale : $863x28-1087	
		New Scale : $863x28-1087	
(s)	Librarian, Agriculture	Probationer :	1.12.63 Service Circular No: 8/65
		Old Scale :	
		New Scale : $420x20-460	
		Timescale :	
		Old Scale : $488x20-588	
		New Scale : $504x28-812	
(t)	Pharmacist, Health	Probationer :	1.12.63 Service Circular No: 8/65
		Old Scale : $324x14-352	
		New Scale : $420x20-460	
		Timescale :	
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812	
(u)	Sub-Assistant And Assistant Conservator, Forestry Division	Probationer :	1.12.63 Service Circular No: 8/65
		Old Scale : $268x18-352	
		New Scale : $420x20-460	
		Timescale :	
		Old Scale : $420x14-518/538 x18-700	
		New Scale : $504x28-812	

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No.	Service	Salary Scales	Effective Date And Reference
3.	Clerical Service	Probationer :	1.1.64
		Old Scale : $137.50x7.50-152.50	Service
		New Scale : $140x8-156	Circular
		Timescale :	No: 7/64
		Old Scale : $199x14-227/254 x14-394/408x14-478	
		New Scale : $230x15-260/300 x15-420/445x15-535	
		Special Grade :	
		Old Scale : $516x19-592	
		New Scale : $560x20-620	
		Superscale 'C' :	
		Old Scale : $616	
		New Scale : $650x20-690	
		Superscale 'B' :	
		Old Scale : $688	
		New Scale : $720x25-770	
		Superscale 'A' :	
		Old Scale : $788	
		New Scale : $820	
4.	Postal Clerical Service.	Probationer :	1.1.64
		Old Scale : $137.50x7150-152.50	Service
		New Scale : $140x8-156	Circular
		Timescale :	No: 6/65
		Old Scale : $175x7.50-205/224x14-336/352 x14-422	
		New Scale : $230x15-260/300 x15-420/445x15-535.	
		Special Grade :	
		Old Scale : $462x20-562	
		New Scale : $560x20-620	

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No.	Service	Salary Scales	Effective Date And Reference
		Assistant Superintendent :	
		Old Scale : $580	
		New Scale : $650x20-690	
		Superintendent :	
		Old Scale : $652	
		New Scale : $720x25-770	
		Chief Superintendent :	
		Old Scale : $755	
		New Scale : $820	
5.	Temporary Clerk	Men -	1.1.64
		Old Scale :	Service
		Group A : $107.50x7.50-122.50	Circular
		Group B : $130x7.50-152.50	No: 7/65
		Group C : $160x7.50-197.50	
		Group D : $223x14-293	
		Group E : $310x14-380	
		New Scale :	
		Group A : $125x8-141	
		Group B : $180x10-210	
		Group C : $240x10-290	
		Group D : $300x10-350	
		Group E : $385x15-445	
		Women -	
		Old Scale :	
		Group A : $92.50x7.50-107.50	
		Group B : $115x7.50-145	
		Group C : $152.50x7.50-190	
		Group D : $197.50x7.50-250	
		Group E : $265x15-310	

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No.	Service	Salary Scales	Effective Date And Reference
		New Scale :	
		Group A : $100x8-116	
		Group B : $145x10-175	
		Group C : $190x10-240	
		Group D : $250x10-300	
		Group E : $335x15-365	
6.	Traffic Clerk, Civil Aviation	Probationer :	1.1.64
		Old Scale : $107.50x7.50-122.50 (Form III)	Service Circular
		$122.50x7.50-137.50 (Form IV)	No: 2/67
		New Scale : $125x8-141	
		Timescale :	
		Old Scale : $152.50x7.50-205/260 x14-401 (Form III)	
		$167.50x7.50-205/260 x14-401 (Form IV)	
		New Scale : $180x10-220/290x15-350/370x15-445	
		Special Grade :	
		Old Scale : $415x14-471	
		New Scale : $475x15-535	
7.	Malay School Teacher, Certificated.	Men -	1.1.64
		Timescale :	F.E.O.
		Old Scale : $130x7.50-205/223 x14-293, 310	Confidential 1457/Vol.II/
		New Scale : $137.50x7.50-205/223x14-293/310 x14-408	43 dated 5.9.64.
		Special Grade :	
		Old Scale : $310x14-366	
		New Scale : $470	

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No.	Service	Salary Scales	Effective Date And Reference
		Women -	
		Timescale :	
		Old Scale : $115x7.50-175/190 x7.50-250	
		New Scale : $122.50x7.50-182.50/ 197.50x7.50-242.50/ 261x14-331	
		Special Grade :	
		Old Scale : $272.50x7.50-302.50	
		New Scale : $380	
8.	Malay School Teacher, College Trained.	Men -	1.1.64 F.E.O Confidential 1457/Vol.II/ 43 dated 5.9.64.
		Timescale :	
		Old Scale : $160x7.50-205/223 x14-293/310x14-366	
		New Scale : $167.50x7.50-205/ 223x14-293/310 x14-436	
		Special Grade :	
		Old Scale : $394x14-450	
		New Scale : $470	
		Women -	
		Timescale :	
		Old Scale : $145x7.50-182.50/ 197.50x7.50-242.50/ 261x14-303.	
		New Scale : $152.50x7.50-182.50/ 197.50x7.50-242.50/ 261x14-359	
		Special Grade :	
		Old Scale : $324x14-366	
		New Scale : $380	
9.	Boarding Officer, Marine Department	Form II :	1.2.64 Service Circular No: 1/65
		Old Scale : $85x7.50-100	
		New Scale : - -	
		Form III :	
		Old Scale : $100x7.50-115	
		New Scale : - -	

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No.	Service	Salary Scales	Effective Date And Reference
		Probationer Form IV :	
		Old Scale : $122.50x7.50-137.50	
		New Scale : $122.50x7.50-137.50	
		Grade II :	
		Form II :	
		Old Scale : $122.50x7.50-130	
		New Scale : $167.50x7.50-190/205 x7.50-242.50/264x14-320	
		Form III :	
		Old Scale : $137.50x7.50-145	
		New Scale : $167.50x7.50-190/205 x7.50-242.50/264x14-320.	
		Form IV :	
		Old Scale : $152.50x7.50-220	
		New Scale : $167.50x7.50-190/205 x 7.50-242.50/264x14-320.	
		Grade I :	
		Old Scale : $235x7.50-280	
		New Scale : $167.50x7.50-190/205x7.50 -242.50/264x14-320.	
		Special Grade :	
		Old Scale : $296x14-394	
		New Scale : $340x14-424	
		Superscale :	
		Old Scale : $408x14-450	
		New Scale : $462x20-562	
10.	Typist	Probationer :	1.4.64
		Old Scale : $100	Service
		New Scale : $125	Circular
		Grade III :	No: 16/65
		Old Scale : $115x7.50-145	
		New Scale : $140x8-156	

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No.	Service	Salary Scales	Effective Date And Reference
		Grade II :	
		Old Scale : $160x7.50-190	
		New Scale : $170x10-210	
		Grade I :	
		Old Scale : $205	
		New Scale : $230x10-250	
11.	Examiner, Road Transport Department.	Probationer :	1.5.64
		Old Scale : $222/236x14-250	Service
		New Scale : $250x14-278	Circular
		Timescale :	No: 2/65
		Old Scale : $264x14-278/296 x14-450	
		New Scale : $296x14-366/392 x14-490	
		Special Grade :	
		Old Scale : -	
		New Scale : $522x20-582	
12.	Operator Mechanised Accounting	Probationer :	1.5.64
		Old Scale : $100	Service
		New Scale : $125	Circular
		Grade III :	No: 9/65
		Old Scale : $130x7.50-145	
		New Scale : $150x8-166	
		Grade II :	
		Old Scale : $160x7.50-190	
		New Scale : $180x10-210	
		Grade I :	
		Old Scale : $205x7.50-250	
		New Scale : $240x10-280	
		Supervisor, Grade II :	
		Old Scale : $267x14-323	
		New Scale : $305x15-365	

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No.	Service	Salary Scale	Effective Date And Reference
		Supervisor, Grade I :	
		Old Scale : $338x14-394	
		New Scale : $380x15-410	
		Special Grade:	
		Old Scale : $476	
		New Scale : $480	
		Superscale :	
		Old Scale : $528	
		New Scale : $540	
13.	Assistant Traffic Officer And Traffic Officer, Telecommunication Department	Probationer :	1.6.64 Service Circular No: 5/65
		Old Scale : $137.50x7.50-152.50	
		New Scale : $137.50x7.50-152.50	
		Timescale :	
		Old Scale : $240x14-352/366x14-492	
		New Scale : $254x14-352/394x18-592	
		Traffic Officer :	
		Old Scale : $550x19-645	
		New Scale : $628x24-724	
14.	Teleprinter Typist, Telecommunications Department	Probationer :	1.10.64 Service Circular No: 10/65
		Old Scale : $100	
		New Scale : $125	
		Grade III :	
		Old Scale : $130x7.50-145	
		New Scale : $145x8-161	
		Grade II :	
		Old Scale : $160x7.50-190	
		New Scale : $180x10-210	
		Grade I :	
		Old Scale : $205x7.50-250	
		New Scale : $240x10-320	

...250/-

No.	Service	Salary Scales	Effective Date And Reference
		Special Grade :	
		Old Scale : $476	
		New Scale : $480	
		Superscale :	
		Old Scale : $528	
		New Scale : $540	
15.	Malay Administrative Service And State Civil Service.	Probationer :	1.10.64 Service Circular No: 12/65
		Old Scale : $415/450	
		New Scale : (School Certificate)	
		Probationer : $310x20-350	
		Timescale : $ $370x20-470/548x28-744/790x28-1014	
		Timescale :	
		Old Scale : $478x25-578/615x25-715/738x25-813	
		New Scale : (Higher School Certificate)	
		Probationer : $350x20-390	
		Timescale : $410x10-470/548x28-744/790x28-1014	
		Superscale :	
		Old Scale : $836x28-1032	
		New Scale : (Pass Degree)	
		Probationer : $430x20-470	
		Timescale : $548x28-744/790 x28-1014	
		Class I B : $1094x34-1196	
		Class I A : $1254	
16.	Chinese Affairs Officer	Probationer :	1.10.64 Service Circular No: 13/65
		Old Scale : $280x15-310/324 x21-450	
		New Scale : $310x20-350/370x20-390/410x20-470	
		Timescale :	
		Old Scale : $478x25-578/615x25-715/738x25-813	
		New Scale : $548x28-744/790x28-1014	

...251/-

No.	Service	Salary Scales	Effective Date And Reference
		Special Grade :	
		Old Scale : $836x28-1032	
		New Scale : $1094x34-1196	
17.	Assistant Nurse	Probationer :	1.12.64
		Old Scale : $104/112	Service
		New Scale : $117/125	Circular
		Timescale :	No: 14/65
		Old Scale : $137.50x7.50-220	
		New Scale : $150x8-238	
		Special Grade :	
		Old Scale : $220x7.50-280	
		New Scale : $255x10-335	
18.	Laboratory Assistant And Research Assistant, Forestry.	Probationer :	1.1.65
		Old Scale : $100x7.50-115 (with accommodation).	Service Circular
		New Scale : $100x8-116 (with accommodation).	No: 17/65
		Old Scale : $137.50x7.50-152.50 (without accommodation)	
		New Scale : $140x8-156 (without accommodation)	
		Timescale :	
		Old Scale : $238x14-308/338x14-450/468x20-528	
		New Scale : $280x14-364/394x14-450/468x20-548	
		Special Grade :	
		Old Scale : $554x20-594	
		New Scale : $564x20-624	
		Superscale :	
		Old Scale : $604x24-700	
		New Scale : $652x24-700	

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No.	Service	Salary Scales	Effective Date And Reference
19.	Fire Services, Civil Aviation.	Firemen :	1.1.65
		Old Scale : $94/107 (2 years)	Service
		113 (2 years)	Circular
		119x4.50-141.50	No: 18/65
		New Scale : $110/120x5-125/130 x5-135/140x5-190	
		Leading Firemen :	
		Old Scale : $150x7.50-165	
		New Scale : $180x8-188/196x8-212	
		Probation Sub-Officer or	
		Probation Section Leader :	
		Old Scale : $137.50x7.50-152.50	
		New Scale : $140x8-156	
		Sub-Officer or Station Leader :	
		Old Scale : $197.50x7.50-235/ 257.50x7.50-280	
		New Scale : $220x10-270/290x10-320.	
		Station Officer or Fire Officer :	
		Old Scale : $296x14-394	
		New Scale : $330x15-450	
		Superintendent, Special Grade, Grade II or Superintendent, Fire and Rescue Services :	
		Old Scale : $450x26-580	
		New Scale : $480x25-605	
		Senior Superintendent :	
		Old Scale : $604x24-700	
		New Scale : $630x25-730 (Pahang and Selangor)	
		Chief Superintendent :	
		Old Scale $727x28-839	
		New Scale : $754x28-866 (Perak and Johore)	

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No.	Service	Salary Scales	Effective Date And Reference
20.	Hospital Assistant	Probationer :	1.1.65
		Old Scale : $137.50x7.50-152.50	Service
		New Scale : $140x8-156	Circular
		Timescale :	No: 19/65
		Old Scale : $238x14-308/338x14-450/468x20-528	
		New Scale : $280x14-364/394x14-450/468x20-548	
		Special Grade 'B' :	
		Old Scale : $541	
		New Scale : $564	
		Special Grade 'A' :	
		Old Scale : $554x20-594	
		New Scale : $584x20-624	
		Superscale 'B' :	
		Old Scale : $604x24-700	
		New Scale : $652x24-700	
		Superscale 'A' :	
		Old Scale : · ~	
		New Scale $754x28-866	
21.	Public Health Inspector	Probationer :	1.1.65
		Old Scale : $137.50x7.50-152.50	Service
		New Scale : $140x8-156	Circular
		Timescale :	No: 21/65
		Old Scale : $238x14-308/338x14-450/468x20-528.	
		New Scale : $280x14-364/394x14-450/468x20-548.	
		Special Grade :	
		Old Scale : $554x20-594.	
		New Scale : $564x20-624	

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No.	Service	Salary Scales	Effective Date And Reference
		Chief Health Inspector, Grade 'B' :	
		Old Scale : $604x24-700	
		New Scale : $652x24-700	
		Chief Health Inspector, Grade 'A' :	
		Old Scale : --	
		New Scale : $754x28-866	
22.	Technical Assistant	Cadet :	1.1.65
		Old Scale : $324x14-352	Service
		New Scale : $380x20-420	Circular
		Timescale :	No: 1/66
		Old Scale : $419x14-545/562 x18-652.	
		New Scale : $475x25-600/640 x25-765	
		Special Grade :	
		Old Scale : $645x22-777	
		New Scale : $754x28-866.	
		Superscale : -	
		Old Scale : $754x28-866	
		New Scale : $863x28-975.	
23.	Veterinary Assistant	Probationer :	1.1.65
		Old Scale : $137.50x7.50-152.50	Service
		New Scale : $140x8-156	Circular
		Timescale :	No: 2/66
		Old Scale : $209x14-307/324 x14-450.	
		New Scale : $237x14-349/394 x14-506	
		Special Grade :	
		Old Scale : $488x10-588	
		New Scale : $528x20-608	
		Superscale :	
		Old Scale : $604x24-700.	
		New Scale : $628x24-700.	

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No.	Service	Salary Scales	Effective Date And Reference
24.	Forest Officer's Junior Posts	Forest Guard : Old Scale : $85x4.50-116.50 New Scale : $100x5-135 Forester, Grade II : Probationer : Old Scale : $94x7.50-109 New Scale : $104x8-120 Timescale : Old Scale : $126.50x7.50-186.50/ 197.50x7.50-220 New Scale : $140x8-204/215 x8-239 Forester, Grade I : Old Scale : $197.50x7.50-280 New Scale : $215x8-303. Forest Ranger : Timescale : Old Scale : $296x14-394. New Scale : $315x15-420 Special Grade : Old Scale : $408x14-450 New Scale : $435x15-480	1.1.65 Service Circular No: 6/66
25.	Lecturer, Technical College.	Timescale : Old Scale : $424x13-515/555 x17-810 New Scale : $504x28-812 Special Grade : Old Scale : $810x28-922 New Scale : $863x28-1087	1.1.65 Service Circular No: 7/66
26.	Agricultural Assistant	Cadet : Old Scale : $310x14-352 New Scale : $380x20-420	1.1.65 Service Circular No: 8/66

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No.	Service	Salary Scales	Effective Date And Reference
		Timescale :	
		Old Scale : $419x14-545/562 x18-652.	
		New Scale : $475x25-600/640x25 -765	
		Special Grade :	
		Old Scale : $641x23-779	
		New Scale : $754x28-866	
27.	X-ray Developer	Probationer :	1.1.65
		Old Scale : $94x7.50-109	Service
		New Scale : $104x8-120	Circular
		Timescale :	No: 11/66
		Old Scale : $126.50x7.50-186.50/ 197.50x7.50-220	
		New Scale : $140x8-196/208 x8-280	
28.	Operator And Telephone Supervisor (Ibusawat Besar)	Telephone Operator :	1.1.65
		Old Scale : $104/119x7.50-149/ 167.50x7.50-220	Service Circular
		New Scale : $110/127.50x7.50- 157.50/176x7.50 -251.	No: 12/66
		Telephone Supervisor, Grade II :	
		Old Scale : $267x14-323	
		New Scale : $285x14-341	
		Telephone Supervisor, Grade I :	
		Old Scale : $338x14-394	
		New Scale : $355x14-411	
29.	Storekeeper	Probationer :	1.1.65
		Old Scale : $122.50x7.50-130 (Form IV)	Service Circular
		$100x7.50-115 (Form III)	No: 13/66
		New Scale : $125x8-141	

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No.	Service	Salary Scales	Effective Date And Reference
		Timescale :	
		Old Scale : $137.50/160x7.50-182.50/197.50x7.50-295 (Form IV)	
		$131x7.50-182.50/197.50x7.50-295 (Form III)	
		New Scale : $180x10-220/250x10-350	
		Senior Storekeeper :	
		Old Scale : $310x14-422	
		New Scale : $385x15-445	
		Chief Storekeeper :	
		Old Scale : $462x20-562	
		New Scale : $480x20-580	
		Chief Storekeeper, Special Grade :	
		Old Scale : $652	
		New Scale : $670	
30.	X-ray Assistant, Ministry of Health	Probationer :	1.1.65 F.E.O. Confidential 1333/SJ.1/31 Service Circular No: 19/65
		Old Scale : $137.50x7.50-152.50	
		New Scale : $140x8-156	
		Timescale :	
		Old Scale : $238x14-308	
		: $338x14-450	
		: $468x20-528	
		New Scale : $280x14-364	
		: $394x14-450	
		: $468x20-548	
31.	Supervisor of Government Building	Old Scale : $450	1.5.65 Service Circular No: 3/66
		New Scale : $460x15-520	

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No.	Service	Salary Scales	Effective Date And Reference
32.	Police Inspector	Probationer :	1.1.66
		Old Scale : $265, 295, 325.	Force Order
		New Scale : $295x15-325	83/67 dated
		Timescale :	25.2.67
		Old Scale : $368x13-446/489 x13-619	
		New Scale : $370x20-510	
		Senior Inspector :	
		Old Scale : $580x24-700	
		New Scale : $560x25-810	
		Chief Inspector :	
		Old Scale : $750	
		New Scale : $560x25-810	
33.	Camp Overseer, Ministry of Defence	Probationer :	1.8.66
		Old Scale : $85x7.50-115	F.E.O.
		New Scale : $94x7.50-124	Confidential
		Timescale :	2810/58
		Old Scale : $137.50x7.50-197.50	dated
		New Scale : $149x7.50-209	9.9.66
		Old Scale : $212.50x7.50-280	
		New Scale : $230x7.50-312.50	
		Special Grade :	
		Old Scale : -	
		New Scale : $324x14-422	
34.	Pegawai-pegawai Yang Mempunyai Kelulusan Kejuruteraan.	(i) Trainee/Undergraduate 1st year :	1.10.68
		Old Scale : $554	Service
		New Scale : $628	Circular No: 4/69.

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No.	Service	Salary Scales	Effective Date And Reference
		(ii) Trainee/Undergraduate 2nd year :	
		Old Scale : $592	
		New Scale : $662	
		Timescale :	
		Old Scale : $628x34-934/982x34 -1254	
		New Scale : $696x34-934/982x34- 1254	
35.	Pegawai-pegawai Yang Mempunyai Kelulusan Akitek Atau Juru Ukur Bahan	Trainee/Undergraduate :	1.10.68
		Old Scale : $592	Service
		New Scale : $628	Circular
		Timescale :	No: 4/69
		Old Scale : $628x34-934/ 982x34-1254	
		New Scale : $662x34-934/ 982x34-1254	
36.	Atendan - Atendan Makmal Dalam Jabatan- jabatan Di luar Kementerian Kesihatan	(i) Probationer :	1.5.69
		Old Scale : $73	Service
		New Scale : $80	Circular
		Timescale :	No: 8/69
		Old Scale : $80x3-86/88 x3-97/99x3-105	
		New Scale : $86x3-92/95x4.50 -126.50	
		Special Grade :	
		Old Scale : $112x7.50-157	
		New Scale : $137.50x7.50-175	
		Superscale :	
		Old Scale : $197.50x7.50-220/ 250x15-295	
		New Scale : $220x15-310	
		(ii) Probationer :	
		Old Scale : $73	
		New Scale : $80	

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No.	Service	Salary Scales	Effective Date And Reference
		Timescale :	
		Old Scale : $74.50x150-79/80 x3-95	
		New Scale : $86x3-92/95x4.50 -126.50	
		Special Grade :	
		Old Scale : $96x3-105	
		New Scale : $137.50x7.50-175	
		Superscale :	
		Old Scale : $112x7.50-157	
		New Scale : $220x15-310	

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APPENDIX 'B'

DRAFT SERVICE CIRCULAR

SERVICE CIRCULAR NO: ..... OF 1975

REVISION OF CLEAN WAGE AND TERMS AND CONDITIONS OF SERVICE OF EMPLOYEES IN THE PUBLIC SECTOR IN MALAYSIA

SECTION I : GENERAL

1.1 The clean wage scales and terms and conditions of service of public employees (i.e. members of the various Civil Services, members of the Armed Forces and employees of the Statutory and Local Authorities) in Malaysia shall be revised as set out in this Circular. This Circular shall not apply to :

(a) Locally-recruited staff employed overseas;

(b) Employees on Shipping Articles;

(c) Employees currently paid on the Malayan Agricultural Producers Association (M.A.P.A.) rates;

(d) Federal Land Development Authority (FELDA) Shopping Assistants;

(e) Casual workers; and

(f) Part-time employees

who shall continue to be governed by their existing emoluments and terms and conditions of service.

STATUS

1.2 Public employees on conversion to the new clean wage and terms and conditions of service shall continue to remain as employees of the Government (Federal or State), the Statutory Authorities and the Local Authorities as the case may be. All employees recruited on or after the date of issue of this Circular shall be on the new

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clean wage and terms and conditions of service as set out in this Circular and shall be the employees respectively of the Government (Federal or State) or the Statutory Authorities or the Local Authorities concerned.

Temporary Employees

1.3 Subject to paragraph 1.4 and 2.10 of this Circular, all serving temporary employees shall be treated in the same manner as permanent employees in similar grades and their terms and conditions of service revised according to this Circular while still remaining as temporary employees.

1.4 Temporary employees shall not be eligible for pension privileges as in the case of employees in the permanent service and for loans provided under the Housing Assistance Scheme.

Employees on Contract

1.5 All employees on contract in the Public Sector who are employed on the same clean wage scales or fixed wages as permanent employees shall, subject to paragraphs 1.6 and 2.10 of this Circular, be treated in the same manner as permanent employees in similar grades and their terms and conditions of service revised according to this Circular while still remaining as employees on contract.

1.6 Employees on contract shall not be eligible for pension privileges and loans provided under the Housing Assistance Scheme.

Re-employed Pensioners

1.7 Re-employed pensioners shall have their wages converted to the revised clean wage scales and shall continue to be governed by the same terms and conditions of service as those of temporary employees and be eligible for the same perquisites and other allowances as accorded to temporary employees.

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CLASSIFICATION OF EMPLOYEES

1.8 Public employees shall be classified into four Divisions as follows :

Clean Wage Scale Maxima	Classification
$2020 and above	Division One
Above $1045 but less than $2020	Division Two
Above $445 but not more than $1045	Division Three
$445 and below	Division Four

1.9 The eligibility for perquisites and privileges with regard to all public employees shall be determined in accordance with the classification of employees in paragraph 1.8 of this Circular.

APPOINTMENTS

1.10 The term 'appointment' used in the General Orders, Rules or Regulations shall mean first appointment to the service of the Government (Federal or State as the case may be) or of the respective Statutory and Local Authorities and shall include appointment by transfer of a serving employee from one post in a scheme of service to a post in a different scheme of service, where, as a result of such transfer the remunerations or prospects attached to the latter post are better than those attached to the former post.

1.11 On appointment by transfer of scheme of service, a serving employee will be placed on the clean wage scale pertaining to the scheme to which he is transferred :

(i) at the minimum if immediately prior to his transfer his clean wage was less than the minimum of the clean wage scale; or

(ii) at the next higher step on the clean wage scale if immediately prior to his transfer

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the clean wage of the employee was equal to or higher than the minimum of the clean wage scale.

1.12 On appointment by transfer, the employee will receive annual increments during the period of probation subject to the relevant provisions of the General Orders, Rules and Regulations of the Federal Government and paragraphs 2.15 and 2.17 of this Circular.

PROMOTIONS

1.13 The term 'promotion' means promotion for which an employee has normal expectations under his scheme of service i.e. promotion from one grade to a higher grade within the scheme.

1.14 On promotion, an employee will be placed on the minimum of the clean wage scale of his new grade or if his clean wage in the previous grade was equal to or higher than the said minimum, then at the next higher step.

HOURS OF WORK

1.15 Except in the case of members of the Armed Forces, the Police Force and Teachers, there shall be a standard number of hours of work in the Public Sector for regular and shift work respectively. The existing arrangements currently applicable to members of the Armed Forces, the Police Force and Teachers should continue.

Regular Work

1.16 (i) The standard hours for attendance at office for public employees shall be from 8.00 a.m. to 4.00 p.m. on full working days of the week and from 8.00 a.m. to 12.45 p.m. on the weekly half-holiday.

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(ii) A break not exceeding an hour and a quarter shall be allowed for lunch per turn of duty except on the weekly half-holiday.

(iii) The normal working day shall consist of a turn of duty of eight hours except where duties are of an intermittent nature e.g. Office Boys, Jagas, Drivers, etc., when the period of duty may consist of more than eight hours but not exceeding nine hours. For the purposes of this Circular such a turn of duty is referred to as ordinary time.

(iv) The normal week's work shall consist of six turns of duty not exceeding 44¾ hours and employees should be granted one day of rest in each week.

Shift Work

1.17 (i) The normal working day for public employees required to work on shift shall consist of a shift of duty of eight hours. For the purpose of this Circular, such a shift of duty is referred to as ordinary time.

(ii) A break not exceeding forty-five minutes shall be allowed per shift of duty.

(iii) The normal week's work shall consist of turns of shift not exceeding 42 hours and employees should be granted one day of rest each week.

(iv) Heads of Departments shall arrange rostered hours of duty in such a manner as to enable employees to work within the total number of hours per week prescribed in sub-paragraph (iii) and to enable them to take their weekly day of rest on the appropriate day.

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1.18 Heads of Departments shall not be restricted to observing the prescribed hours of work if public business necessitates the keeping of earlier or later hours.

SECTION II : CLEAN WAGE

CLEAN WAGE SCALES

2.1 The wages of employees in the Public Sector shall be converted to the revised wages in accordance with the Conversion Table Schedules set out in Annexure I to this Circular.

2.2. The figures for regional allowance, special relief allowance, housing allowance and any other allowance where they are used in the Conversion Schedules are only meant for effecting conversion from the present wage structure to the revised clean wage structure and shall not be used for the furtherance or support of any claim.

2.3 No other allowance shall be payable over and above the revised wages except as specified in this Circular.

MODE OF CONVERSION

2.4 Employees shall convert to the revised clean wage scales on the next higher point basis. If the present clean wage scale is more than the minimum of the revised clean wage scale, conversion shall be effected to the point in the revised wage immediately above the present wage. If the present clean wage is less than the minimum of the revised clean wage, conversion shall be to the minimum of the revised clean wage.

2.5 In cases where specific allowances are added to the clean wage for purposes of conversion, the aggregate of the present clean wage shall be converted based on the conversion formula as set out in paragraph 2.4 of this Circular.

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2.6 In all cases where an employee has been on the maximum of an existing incremental scale or an existing fixed wage for more than a year and converts to a Timescale, Special Grade or a Superscale, he shall be granted one increment immediately on conversion, subject to the maximum of the scale concerned.

2.7 Conversion from the present clean wage to the revised clean wage may be affected on the effective date or the date of issue of this Circular depending on whichever date is beneficial to the employees concerned. In either case conversion shall be based on the formula as set out in paragraph 2.4 of this Circular.

2.8 For the purpose of computing arrears of wages, conversion from the present clean wage to the revised clean wage shall be effected from the effective date. The calculation of arrears of wages shall be based on the difference between the revised clean wage and the present clean wage or the aggregate of the present clean wage, as the case may be.

PERSONAL TO HOLDER SCALES

2.9 If the present maximum clean wage or the aggregate of the maximum clean wage, as the case may be, exceeds the maximum of the revised clean wage scales, conversion, wherever applicable, shall be to the Personal to Holder scales provided for the purpose in the Conversion Table Schedules in Annexure I.

2.10 The personal to holder scales provided in the Conversion Schedules shall be applicable only to serving permanent employees on existing clean wage scales. They shall not be made available to those directly appointed to the new clean wage scales on or after the date of issue of this Circular.

INCREMENTAL DATES

2.11 An employee who has been on a fixed wage or on the maximum of an incremental clean wage scale for a year or more on the effective

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date, shall have his incremental date revised to the first day of the month following the effective date, notwithstanding what is stated in paragraph 2.14.

2.12 An employee who has been on a fixed wage or on the maximum of an incremental scale for a period of less than one year on the effective date and converts to an incremental scale, shall have his new incremental date fixed as follows :

(i) If he received the fixed wage or reached the maximum of the incremental scale on the first day of a month, his incremental date shall be the first day of that month;

(ii) In all other cases the incremental date shall be the first day of the following month.

2.13 In cases where the incremental date of an employee falls on the effective date, the incremental date shall be deemed to be the day before the effective date for purposes of wage conversion.

2.14 In cases where two or more clean wage points in the present clean wage scale, as shown in the Conversion Schedules, are grouped together and are converted to one point in the revised clean wage scale, the incremental date of the employees concerned shall be changed in accordance with the formulae as set out in Annexure II to this Circular. In all other cases the incremental dates shall not change.

BARS ON CLEAN WAGE SCALES

Probationary Period and Bars

2.15 Employees who are directly appointed to the revised clean wage scales set out in this Circular shall be subject to a period of probation as follows :

Division One	-	3 years
Division Two	-	2 years
Division Three	-	1 year
Division Four	-	6 months

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2.16 On successful completion of the probationary period the employee concerned shall be confirmed in his appointment. Where such employee has not passed any examination stipulated in his letter of appointment, he shall not be permitted to progress on his clean wage scale until he has passed the examination concerned.

2.17 In respect of employees appointed on transfer of service the period of probation required may be reduced to one half of the normal period of probation stipulated in paragraph 2.15 of this Circular.

2.18 Serving employees who have already been confirmed in their appointments in accordance with their existing schemes of service prior to the date of issue of this Circular shall on conversion to the revised clean wage scales be deemed to have been confirmed in their respective appointments.

2.19 Serving employees who have not been confirmed in their appointments prior to the date of issue of this Circular may be confirmed in their appointments on fulfilment of the period of probation stipulated in paragraph 2.15 of this Circular or in their original terms of appointment whichever is the shorter. Where such employees have not passed the probationary examination stipulated in their existing schemes of service, they may be confirmed in their appointments on successful completion of the period of probation, but shall not be permitted to progress on their revised clean wage scales, unless they have passed the examinations concerned.

2.20 Subject to paragraphs 2.15, 2.17, 2.18 and 2.19 of this Circular, probationary bars are hereby abolished.

Efficiency Bars

2.21 Efficiency bars are hereby abolished.

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Examination Bars

2.22 Examination bars are hereby abolished. Employees who have not passed any examination prescribed in the respective schemes of service shall continue to draw their increments but shall not be considered for purposes of promotion until they have done so.

SECTION III : COMMON PERQUISITES

3.1 Common perquisites shall be defined as perquisites that are applicable to all public employees in general or in a defined geographical locality; and where, in order to be eligible for such perquisites, neither any outlay, either in cash or kind, nor any extra qualifications or experience are required on the part of the employee, nor any additional responsibilities are required to be performed by the employees concerned. Common perquisites shall be so determined and administered as to neither violate the principle of the rate for the job nor disturb the horizontal and vertical relativities that have been established in the new clean wage structure.

PUBLIC ACCOMMODATION

Eligibility for Quarters

3.2 The eligibility for classes of quarters shall be determined on the basis of the clean wage scale of public employees concerned as follows :

Clean Wage Scale Maxima	Class of Quarters
$2,620 and above	A
$2,020 and above but below $2,620	B
$1,720 and above but below $2,020	C
$1,270 and above but below $1,720	D
$895 and above but below $1,270	E
$535 and above but below $895	F
$310 and above but below $535	G
Below $310	H, I & J

3.3 The Appropriate Authority shall have the right to allot quarters of any class to any employee in the absence of quarters of the class appropriate to him.

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Free Accommodation

3.4 Employees in the Staff Grades will be provided with free, fully-furnished institutional quarters. The maintenance of such quarters, furnishing and grounds shall be undertaken by their respective Departments.

3.5 All employees, other than those mentioned in paragraph 3.4, who by their terms and conditions of employment are entitled to free quarters, will continue to be so entitled.

Nominal Rents on Quarters

3.6 The nominal rents appropriate to different classes of quarters and the rents on furniture wherever supplied shall be as follows :

Class of Quarters	Monthly House Rent	Monthly Rent on Furniture
Class A	$50.00	$6.00
Class B	$35.00	$5.00
Class C	$20.00	$5.00
Class D	$15.00	$2.50
Class E	$15.00	$2.50
Class F	$10.00	$2.50
Class G	$ 7.00	$1.50
Class H	$ 4.00	$1.50
Class I & J	$ 1.00	-

Economic Rent on Quarters

3.7 All public employees other than those mentioned in paragraphs 3.4 and 3.5, who are provided with public quarters, shall be charged rent at the rates set out below :

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Duty Station	Pool Quarters	Institutional or Reserved Quarters
(i) Kuala Lumpur including Petaling Jaya	10 times the nominal rent or 10% of the clean wage of the occupant, whichever is the lesser, subject to a minimum rent of $10.00 per month.	5 times the nominal rent or 5% of the clean wage of the occupant, whichever is the lesser, subject to a minimum rent of $5.00 per month.
(ii) Ipoh, Butterworth, Kuala Trengganu, Georgetown, Seremban, Kelang, Johor Bahru, Kota Bharu, Kuantan, the District of Kuala Lumpur outside the City limits and outside Petaling Jaya, Kota Kinabalu, Sandakan, Tawau, Kuching, Miri and Sibu.	8 times the nominal rent of 8% of the clean wage of the occupant, whichever is the lesser, subject to a minimum rent of $8.00 per month	4 times the nominal rent or 4% of the clean wage of the occupant, whichever is the lesser, subject to a minimum rent of $5.00 per month.
(iii) Other areas.	6 times the nominal rent or 6% of the clean wage of the occupant, whichever is the lesser, subject to a minimum rent of $6.00 per month.	3 times the nominal rent or 3% of the clean wage of the occupant, whichever is the lesser, subject to a minimum rent of $5.00 per month.

...275/-

3.8 Employees who are posted to serve in Overseas Duty Stations will be eligible for rented accommodation but shall be charged a rent amounting to 10% of their clean wage. Where the rent paid for includes an element for other charges such as water and electricity, the employees concerned shall be required to refund to the Appropriate Authority a certain percentage of the rent in accordance with the provisions of Confidential 835, issued by Wisma Putra.

Occupation of Government Quarters

3.9 The existing regulations governing the occupancy of public quarters as laid down in the General Orders of the Federal Government shall continue to apply.

Rent Allowance

3.10 All employees who are not provided with public quarters shall be eligible for the payment of rent allowance at the following rates :

(i)	City of Kuala Lumpur including Petaling Jaya	17.5% of clean wage
(ii)	Ipoh, Johore Bahru, Kota Kinabalu, Kuching, Sandakan, Georgetown, Butterworth, Kuala Trengganu, Seremban, Klang, Kota Bahru, Kuantan, the District of Kuala Lumpur, outside the city limits and outside Petaling Jaya, Tawau Miri and Sibu.	15% of clean wage.
(iii)	Other areas	12.5% of clean wage.

Housing Allowance

3.11 The payment of Housing Allowance and temporary housing allowance to all public employees is hereby abolished. Similarly, the Housing Assistance Allowance payable to the Armed

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Forces Personnel is also hereby abolished. They will all hereafter be eligible for the payment of Rent Allowance provided for in paragraph 3.10 of this Circular.

Housing Assistance Scheme

3.12 (i) The Housing Assistance Scheme to assist public employees to acquire houses of their own by the provision of loans shall continue. Wherever possible the Appropriate Authority should also endeavour to develop sites for houses. The scale of loans provided shall be as follows :

Monthly Clean Wage	Maximum Eligibility
$150 to 249	$ 8,000
$250 to 399	$ 12,000
$400 to 599	$ 20,000
$600 to 799	$ 30,000
$800 to 999	$ 34,000
$1,000 to 1,299	$ 45,000
$1,300 to 1,800	$ 58,000
$1,900 to 2,149	$ 66,000
$2,150 to 2,499	$ 78,000
$2,500 to 2,999	$ 90,000
$3,000 to 3,999	$110,000
$4,000 and above	$135,000

(ii) Employees who have taken loans under the Housing Assistance Scheme provided for in paragraph 3.12 of this Circular, will also be eligible for the Rent Allowance provided in paragraph 3.10 of this Circular.

Interest Rate

3.13 The interest charged on loans provided under the Housing Assistance Scheme shall be reduced to 3% per annum.

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Effective Date

3.14 (i) The revised scale of housing loans given in paragraph 3.12 of this Circular shall be effective from the date of issue of this Circular.

(ii) The payment of Rent Allowance at the rates prescribed in paragraph 3.10 of this Circular shall be effective from the date of issue of this Circular.

(iii) The reduction in rate of interest provided for in paragraph 3.13 of this Circular shall be effective from 1st January 1970.

BONUS PAYMENTS

3.15 Employees in the Public Sector will continue to be eligible for the payment of a bonus equal to one month's clean wage payable quarterly, i.e. in March, June, September, and December of each year.

COST OF LIVING ALLOWANCE

Regional Allowance

3.16 (i) A Regional Allowance at the rates set out below will be payable to employees based on clean wages in Sabah and Sarawak :

State		Rates
Sabah	-	25% of clean wage
Sarawak	-	10% of clean wage

(ii) Employees from Peninsular Malaysia who are posted to Sabah or Sarawak will be eligible for the payment of Regional Allowance based on the rates given in (i) above.

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Special Allowance

3.17 The Special Allowance payable to employees from Peninsular Malaysia who are posted to Sabah or Sarawak is hereby abolished.

3.18 The Special Allowance payable to employees from Sabah and Sarawak who are posted to Peninsular Malaysia is hereby abolished. They shall also cease to be eligible for the payment of Regional Allowance mentioned in paragraph 3.16 of this Circular, while serving in Peninsular Malaysia.

Special Relief Allowance

3.19 The Special Relief Allowance payable to all employees in receipt of clean wages less than $500 per month is hereby abolished.

Overseas Allowance

3.20 Public employees serving in overseas duty stations will continue to be eligible for Overseas Allowance in accordance with the rates prescribed in Wisma Putra Circular Letter No. 4 of 1974, subject to tbe clean wage bands being modified as follows :

(i) $4,970 and above

(ii) $4,570 to $4,969

(iii) $4,170 to $4,569

(iv) $3,820 to $4,169

(v) $3,670 to $3,819

(vi) $3,370 to $3,669

(vii) $2,770 to $3,369

(viii) $2,020 to $2,769

(ix) $1,495 to $2,019

(x) $1,270 to $1,494

(xi) $895 to $1,269

(xii) $505 to $894, and

(xiii) $295 to $504

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Overseas Children Allowance

3.21 The provisions regarding the payment of Children Allowance as set out in Wisma Putra Circular Letter No. 4 of 1974 shall continue to apply at the following rates :

Fourth Child - $75.00

Fifth Child - $50.00

Women Employees

3.22 Women employees in the Public Sector serving in overseas duty stations, shall be divided into the following four categories for purposes of determining the eligibility for perquisites (both cash and kind) :

(i) Unmarried,

(ii) Divorcee without dependent,

(iii) Divorcee with dependent children, and

(iv) Married with family.

3.23 Women employees in categories (i) and (ii) of paragraph 3.22 of this Circular will be eligible for perquisites based on the eligibility of unmarried male employees of equivalent grade. A woman employee in category (iii) of paragraph 3.22 will be eligible based on the eligibility of married male employees with family provided that one of the children is staying together with her.

3.24 Women employees in category (iv) of paragraph 3.22 of this Circular, shall be eligible for perquisites as follows :

(a) Husband and wife in Overseas Duty Station

(i) Overseas Allowance

The husband shall be eligible for married with family rate and the wife at the unmarried rate. However, if the wife is holding a higher post than the husband, the wife shall be eligible for married with family rate and the husband at unmarried rate.

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(ii) Other Allowances and Perquisites

Based on the eligibility of the husband or wife, whichever is higher.

(b) Only the wife in Overseas Duty Station

(i) Overseas Allowance

Based on the eligibility of married man with family.

(ii) Other Allowances and Perquisites

Based on the eligibility of married man with family provided that the husband follows the wife and is not gainfully employed either in the Public or Private Sector. If the husband is gainfully employed, the wife is deemed to be an unmarried employee for purposes of payment of allowances and other perquisites.

Singapore Allowance

3.25 Public employees, other than those in the External Affairs Service, who are posted to Singapore will be paid a Singapore Allowance at the rate of 10% of the clean wage.

MEDICAL BENEFITS

Medical Treatment

3.26 Employees in the Public Sector, their wives or children, when they are ill, will receive free of charge such medicines, medical assistance and dental treatment as Government or an approved Panel of Doctors, has at its disposal, including artificial limbs and orthopaedic appliances but excluding dentures. In cases where medicines which are essential for the treatment of an employee are not available in Government stores, their purchase locally may be authorised by the Head of the Medical Department in the state or Ketua Yayasan Perubatan Persekutuan.

...281/-

3.27 Employees, their wives and children shall obtain medical treatment in the hospital nearest to the station where they reside. If their local Medical Officer recommends that treatment should be obtained from some other Medical Officer, transport expenses and subsistence allowance may be claimed as if the employee and his family are on official duty. If, however, the employee wishes to consult a Medical Officer at another hospital without the recommendation of the local Medical Officer, transport expenses and subsistence allowance will not be payable.

3.28 An employee who seeks medical treatment from a private practitioner shall pay the cost of such treatment. When an employee is a patient of a private practitioner who calls in a Medical Officer or a Dental Officer foe consultation on his case, the employee shall be liable to pay the consultation fee.

3.29 When the wife of an employee elects to be confined elsewhere than in a Government hospital and is attended by a Medical Officer fees shall be charged in accordance with the rate approved by the Government. No such charge will be made when she has been confined at home on the advice of the Medical Officer.

Medical Certificates

3.30 (i) An employee who falls ill and is unable to attend his office must obtain a medical certificate from a Medical Officer to the effect that he is unfit to work and send it to his Head of Department as soon as practicable.

(ii) An employee to whom a medical certificate has been granted may not return to duty without a certificate of fitness to resume work from a Medical Officer.

(iii) The present practice regarding medical certificates issued by private practitioners may continue.

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Overseas Treatment

3.31 When an employee or members of his family are recommended by a Medical Board that they require special treatment which is not available in Malaysia and provided also that the Director General of Medical Services certifies that no such treatment is available at the Government's disposal, the employee or members of his family may be considered by a Committee of Officials comprising the Chief Secretary to the Government as Chairman, Secretary General, Treasury, Director General Public Services Department and Director General Medical Services, to be sent overseas for the special treatment and the expenses paid from public funds. If necessary, the expenses may include the passage of another person required to accompany the employee or members of his family. Any appeal to the decision made by the Committee of Officials shall be considered by the Establishment Committee of Cabinet for a final decision.

Ward Charges

3.32 (i) Employees, their wives and children who are admitted into Government hospitals are required to pay ward charges at the rates as set out in the following paragraphs except in the cases mentioned in (ii) below or for tuberculosis, leprosy and cancer.

3.33 The rate of ward charges will be as follows :

(i) Serving Public Employees

(a) General and Maternity Wards

Class of Ward	Clean Wage	Daily Charges
First Class		
Single Room	- $995 p.m. & above	- 1% subject to a maximum of $10.00.

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Class of Ward	Clean Wage	Daily Charges
First Class		
Double Room	- $795 p.m. & above but below $995	- 1% of clean wage, subject to a maximum of $13.00.
Three or More	- $445 p.m. & above but below $795	- 1% of clean wage, subject to a maximum of $6.00.
Second Class		
Class IIA) Class IIB)	- $205 p.m. & above but below $445.	- 1% of clean wage, subject to a maximum of $3.00
Third Class	- Below $205 p.m.	- Free

(b) Mental Hospitals

Class of Ward	Clean Wage	Daily Charges
First Class	- $795 p.m. & above	- $2.50.
Second Class	- $205 p.m. & above but below $795.	- $0.50.
Third Class	- Below $205	- Free

(ii) Pensioners

(a) General and Maternity Wards

Class of Ward	Clean Wage	Daily Charges
First Class		
Single Room	- $995 p.m. & above	- $4.00 per day
Double Room	- $795 p.m. & above but below $995	- ½% of clean wage subject to a maximum of $4.00.
Three or more	- $445 p.m. & above but below $795.	- ½% of clean wage subject to a maximum of $3.40.

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Class of Ward	Clean Wage	Daily Charges
Second Class		
Class IIA)) Class IIB)	- $205 p.m. & above but below $445	- ½% of clean wage subject to a maximum of $1.90
Third Class	- Below $205 p.m.	- Free.

(b) Mental Hospitals

Class of Ward	Clean Wage	Daily Charges
First Class	- $795 p.m. & above	- $1.25 per day.
Second Class	- $205 p.m. & above but below $795	- $0.25 per day.
Third Class	- Below $205 p.m.	- Free.

3.34 An employee who falls ill or is injured while on duty away from his duty station shall be exempted from paying ward charges if he is admitted into a hospital away from his duty station.

3.35 The wife and children of an employee shall be eligible for admission to the same class of ward as the employee himself and the charges shall be the same as that payable by the employee except in cases where the children of the employee are admitted as students into the Second Class. Where an employee wishes his children to be admitted into the First Class, he shall pay the ward charges at the rate prescribed for the First Class if he is eligible for First Class, otherwise the rates shall be in accordance with the rates prescribed for children of members of the public.

3.36 (i) An employee, his wife and children who desire admission into a higher class of ward than for which they are eligible, may be admitted at the discretion of the officer in charge of the hospital. In such a case the charge shall then be at the rate laid down for members

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of the public in that ward and a deposit or a satisfactory guarantee for payment will be required. They shall not, however, be required to pay treatment, operation, X-ray and other fees.

(ii) An employee, his wife and children who elect for, or are compelled to occupy, a room or ward of a lower class than for which they are eligible, shall be charged at the maximum rate applicable to the class of ward in which they are accommodated.

Authority for Treatment

3.37 An employee who is admitted into a hospital or who wishes to seek treatment at Government Clinics shall be required to furnish a statement, signed by his Head of Department, of his name, appointment and clean wage together with a declaration from the employee authorising his Head of Department to deduct the amount of the hospital charges from his clean wage. A similar statement is also required in cases where wives and children of employees are admitted into a hospital.

Medical Staff

3.38 Public employees who are recruited for the medical and health services and are serving in the Medical or Health Department are exempted from paying hospital charges except in the case of charges for using ambulance. However, wives and children of such employees are not eligible for this privilege.

Medical Examination

3.39 Employees who are selected to attend study courses approved by the Appropriate Authority and are required to be medically examined shall be eligible for free medical examination.

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Medical Trainees

3.40 Trainees who are following courses organised by the Ministry of Health shall be eligible for free medical treatment and shall be exempted from paying ward charges when admitted to a Second Class Ward. They shall also be eligible for free out-patient treatment.

Emergency Treatment

3.41 The present practice regarding the reimbursement of ward charges and medical expenses in emergency cases where an employee is admitted to a hospital other than a Government approved hospital will continue.

LEAVE PRIVILEGES

Vacation Leave

3.42 (i) Except for employees in the External Affairs Service, eligibility for vacation leave for all other employees in the Public Sector in respect of a full year of qualifying service shall be in accordance with the following table :

Classification	Less than 10 years service	More than 10 years service
Division One	35 days	40 days
Division Two	30 days	35 days
Division Three	25 days	30 days
Division Four	20 days	25 days

(ii) Employees in the External Affairs Service shall be eligible for vacation leave in respect of a full year of qualifying service in accordance with the following table :

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Classification	Less than 10 years Service	More than 10 years Service
Division One	50 days	55 days
Division Two	45 days	50 days
Division Three	40 days	45 days
Division Four	35 days	40 days

3.43 The additional 5 days vacation leave granted annually to employees who are 40 years of age and over is hereby abolished.

3.44 Public holidays and weekly holidays shall not be included in the calculation of vacation leave taken.

3.45 Vacation leave shall be taken in the year in which it accrues and, where owing to exigencies of service, it has not been taken in the current year, it will be carried forward into the next succeeding year.

3.46 It shall be the duty of Heads of Department to ensure that the vacation leave is taken by employees in the current year as far as is possible.

3.47 Vacation leave which an employee is eligible in respect of any three consecutive years may be accumulated for the purpose of overseas travel or for purpose of study subject to the prior approval of the Appropriate Authority.

3.48 For academic staff and teachers of Universities and other teaching institutions, the leave should normally be taken during term vacations provided that they may be required to perform departmental duties other than their normal teaching.

3.49 Principals and Vice-Principals of educational institutions who perform administrative duties and come under the provisions of Hours of Work for office staff shall not enjoy term vacations but, in lieu thereof, shall be eligible for vacation leave as stated in paragraph 3.42 of this Circular.

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3.50 In regard to leave not taken, the provisions of Service Circular No. 1 of 1974 shall apply.

Special Health Leave

3.51 Medical Staff engaged on special duties may be granted 14 days special leave in one year in addition to any other leave for which they may be eligible in accordance with the provisions in the Federal General Orders Chapter C.

Half-Pay Leave

3.52 Employees in the Public Sector shall be eligible for leave on half pay at the rate of 30 days per year of completed service subject to a maximum of 180 days in accordance with the provisions in the General Orders Chapter C of the Federal Government.

No-Pay Leave

3.53 Employees in the Public Sector shall be eligible for no-pay leave at the rate of 30 days per year of completed service subject to a maximum of 180 days in accordance with the provisions in the General Orders Chapter C of the Federal Government.

Unrecorded Leave

3.54 Unrecorded leave for purposes of religious and social functions is hereby abolished.

Special Unrecorded Leave

3.55 The existing provisions regarding the granting of special unrecorded leave to all employees in the Public Sector for the following purposes shall continue to apply :

(a) Employees selected for a representative game;

(b) Attendance of employees at meetings of professional associations;

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(c) Attendance of employees at certain courses and camps;

(d) Participation of employees in cultural tours;

(e) Attendance at examinations.

Leave on Medical Grounds

3.56 Employees in the Public Sector shall be eligible for leave on medical grounds in accordance with the provisions in the General Orders Chapter C of the Federal Government as set out in the following paragraphs.

Sick Leave

3.57 (i) A Head of Department may grant an employee sick leave up to a maximum of 90 days at any one time or up to a maximum of 90 days in any one year (January - December). When either of the maximum periods has been reached he may not grant further sick leave without the approval of the Administrative Head of the Service. The latter may approve an additional grant of sick leave not exceeding 90 days.

(ii) An employee who is certified unfit after all the sick leave for which he is eligible under (i) has been exhausted, may be granted by his Head of Department any vacation leave for which he may be eligible.

(iii) An employee who is certified unfit after all the leave provided in (i) and (ii) has been exhausted, may not be granted further leave of any kind until he has been examined by a Medical Board as provided in General Orders Chapter F of the Federal Government.

(iv) When in each of three successive years an officer has been absent or sick for a total of 45 days or more, he may, whether he has again reported sick or

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not, be required to appear before a Medical Board as provided in General Orders Chapter F of the Federal Government in order to determine his fitness for further service.

Extended Sick Leave

3.58 (i) When a Medical Board certifies that an officer is unfit for duty but that there is reason to believe that he will become fit for further service, it shall recommend such period of absence from duty not exceeding three months, as it thinks necessary. For this purpose the Head of Department shall grant the officer such leave as may be due to him. Should his eligibility for sick leave and vacation leave has been exhausted, the officer may be granted leave on half pay or leave without pay if he is not eligible for Half pay. The employee shall present himself for re-examination at the end of that period. At this or any subsequent re-examination, the Medical Board may recommend further extension of the period of absence or may recommend that the employee should be required to retire from the service.

(ii) When an officer is granted leave without pay, with the approval of the Approriate Authority, he may be granted an allowance at a rate equal to half pay.

Rest Leave

3.59 When a Medical Board considers that an employee though fit to discharge his duties, is nevertheless in such a condition that he would benefit by a period of rest, it may recommend that he be allowed to absent himself from duty for a specified period. In these circumstances, the Appropriate Authority may grant the employee any half pay leave or leave without pay for which he may be eligible. If he is granted leave without pay the Appropriate Authority may grant him an allowance at a rate equal to half pay.

Quarantine Leave

3.60 (i) When an employee on his return journey from overseas is quarantined by any port or airport health authorities because his journey passes through a port or airport or in a ship or aircraft in which an infectious disease breaks out, the quarantine period should be deemed as quarantine leave on full pay and should not be deducted from his vacation leave eligibility.

(ii) If an employee is quarantined because it is suspected that he has an infectious disease, the quarantine period should be deemed as sick leave on full pay;

(iii) When an infectious disease breaks out in the house occupied by an employee and he is quarantined by the health authority, the employee should be given quarantine leave for the period required by the health authority.

Injury Leave

3.61 (i) An employee injured in the course of duty may be given sick leave for which he is eligible. If he has exhausted all the sick leave, he may be granted extension of sick leave on full pay until such time as he has recovered, or failing recovery, has been retired from the service on medical grounds;

(ii) Such extension shall be granted only by the Appropriate Authority, except in the case in which an employee is eligible for compensation under the Workmen's Compensation Ordinance, subject to the recommendation by a Medical Board that there is a probability of the employee's recovery and that his continued incapacity is directly attributable to the injury received;

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(iii) In the case of an employee who is eligible for compensation under the Workmen's Compensation Ordinance, the Head of Department may grant him injury leave for a period not exceeding 90 days. Any injury leave granted in such a case will not reduce the eligibility of the employee for leave on other medical grounds.

Tuberculosis Leprosy and Cancer Leave

3.62 (i) An employee who is certified to be suffering from tuberculosis, leprosy or cancer will be given the privilege of free treatment, including the remission of ward charges in a Government hospital;

(ii) Provided that he avails himself of the hospital treatment throughout, he may in succession be granted:

(a) Sick leave up to a maximum of 12 months irrespective of any sick leave he may have received on account of other sickness;

(b) All vacation leave for which he was eligible on the day on which his sick leave began;

(c) A period of half pay leave not exceeding 6 months irrespective of whether the officer is eligible or not; and

(d) A period of leave without pay up to a maximum of 6 months.

(iii) The leave prescribed above may also be granted if an employee seeks treatment in a non-government institution after obtaining prior approval of the Appropriate Authority but in such cases the employee shall have no claims to recover any expenses incurred on account of treatment elsewhere.

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(iv) Leave as in (a) and (b) above may be approved by the Head of Department. Leave as in (c) and (d) may be granted by the Appropriate Authority only where the Medical Officer in charge of the case is of the opinion that there is a reasonable prospect of ultimate recovery. However, if it sees fit the Appropriate Authority may direct that the officer be examined by a Medical Board;

(v) No extension of leave beyond the limits provided in (ii) shall be granted except when the Appropriate Authority in its own discretion and after considering the recommendation of a Medical Board and on the merits of each case is of the opinion that an extension of the leave may be granted;

(vi) An employee who suffers a relapse of tuberculosis, leprosy or cancer after having at any time been granted benefits under (ii) above shall not again be eligible for those benefits in full. He shall, however, be granted any balance of such benefits as may remain to him and shall be eligible for continued free treatment, including remission of ward charges in a Government hospital. Any further extension after the expiry of all leave granted under (ii) above shall be granted by the Appropriate Authority at its discretion after considering the recommendation of a Medical Board. This leave may be granted on full-pay, half-pay or no-pay as the Appropriate Authority sees fit.

3.63 (i) An employee who, while on leave outside Malaysia is found to be suffering from tuberculosis, leprosy or cancer shall be eligible for leave under (ii) above provided that the conditions laid down in the General Orders Chapter C of the Federal Government are strictly satisfied.

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(ii) An employee who is granted leave without pay under this provision is not eligible for the allowance provided in the General Orders Chapter C of the Federal Government.

Maternity Leave

3.64 (i) Women employees in the Public Sector shall be granted 60 days maternity leave i.e. 30 days pre-natal and 30 dayspost-natal on only three occasions during their service.

(ii) Any leave taken thereafter for purpose of maternity shall be debited against vacation leave. If vacation leave is not available, the balance shall be treated as leave without pay.

Study Leave

3.65 An employee in the Public Sector who has been selected or permitted to pursue any course or study which is recognised whether on full pay, half pay or no-pay and whether the course of study is for a diploma, basic Degree, post graduate or further training, may be granted leave for the purpose as follows :

(i) The full duration of the course inclusive of academic holidays and vacations falling within it;

(ii) The actual duration of journey to the place of study and back after the completion of the course by the shortest possible route; and

(iii) The period of waiting overseas which is unavoidable for the purpose of local travel.

3.66 (i) Any term vacation during a course of study which does not exceed 12 months should be deducted from the employee's leave eligibility before proceeding

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for the course. If the term vacation is longer than his leave eligibility, the balance shall not be deducted from his leave eligibility after the course.

(ii) An employee pursuing a course which exceeds 12 months, will be deemed to have consumed all the leave he is eligible before proceeding for the course.

3.67 Heads of Department may grant vacation leave for not more than 14 days to employees who have been on study leave for a period in excess of 12 months on their return to Malaysia. This vacation leave shall be deducted from his leave eligibility in respect of qualifying service subsequent to resumption of duty.

Sabbatical Leave

3.68 Academic staff (Teaching) of Universities shall continue to be eligible for Sabbatical leave in the present form.

Leave For Research Work

3.69 The existing provisions with regard to leave of absence granted to academic staff (Teaching) of Universities for undertaking normal or fixed work during term vacation which is considered relevant to the work of the employee and beneficial to the institutions concerned shall continue to apply subject to the provisions regarding vacation leave mentioned in paragraph 3.42 of this Circular.

Pilgrimage Leave

3.70 Muslim employees in the Public Sector shall continue to be eligible for Pilgrimage Leave in accordance with the provisions in the General Orders Chapter C of the Federal Government subject to a maximum of four months.

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Leave Passages

3.71 (i) Subject to sub-paragraph (ii), the provisions concerning the following passages granted to employees in Sabah and Sarawak are hereby cancelled and withdrawn :

(a) Qnce-in-three years passage;

(b) Passage to home-town on earned leave; and

(c) Once-in-three years passage to visit Peninsular Malaysia.

(ii) Serving employees in the former Executive and Sub-Professional Group and Clerical and Technical Group who are eligible on the date of issue of this Circular and have not taken any of the passages referred to in sub-paragraph (i) shall continue to be eligible only once in their service for each of the passages not so taken on a personal to holder basis.

Voyage Leave and Passage

3.72 Public employees in Division One will be eligible on one occasion only in their service for a free return passage on a round-the-world tour, by an approved route, together with periods of full pay voyage leave. However, no employee is eligible for this grant unless he has completed 10 years service.

3.73 A married employee shall be granted a free return passage for the spouse. An employee may be accompanied by members of his family and dependents provided that the cost does not exceed the cost of the passage for the employee and his wife, equivalent to a round-the-world tour by an approved route.

Voyage Leave For Sea Travel

3.74 Employees who are serving in overseas duty stations shall be eligible for voyage leave for sea travel as provided in Confidential 835, issued by Wisma Putra.

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Voyage Leave For Air Travel

3.75 Employees who are serving in overseas duty stations shall be eligible for voyage leave for air travel as provided in Confidential 835 issued by Wisma Putra.

Adjustment Leave For Resettlement Training

3.76 (i) The following groups of Armed Forces personnel will be eligible for adjustment leave on full pay for Resettlement Training.

(a) All Other Ranks who have completed at least 10 years full-time service;

(b) Short Service Commission Officers who have completed nine or more years full-time service; and

(c) Regular Officers who are compulsorily required to retire from the Armed Forces before reaching the age of 45.

(ii) The maximum period of adjustment leave will be for a period of 6 months. However, Other Ranks who are non-tradesmen may be allowed adjustment leave up to a period of 18 months. The length of the adjustment leave shall be at the discretion of the Armed Forces Council.

MISCELLANEOUS PERQUISITES

Dark Allowance

3.77 The payment of Dark Allowance to employees who are required to work between the hours of 10 p.m. and 6. a.m. is hereby abolished.

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Aggregation Allowance

3.78 The Aggregation Allowance payable to Railway employees is hereby abolished.

Train Passes

3.79 The provisions regarding the issue of free train passes to Railway employees are hereby abolished but may continue to apply to serving employees on a personal to holder basis.

Signalman's Duty Allowance

3.80 Signalman's Duty Allowance is hereby abolished.

Disturbance Allowance

3.81 The Disturbance Allowance payable to employees in the Port Authorities who are working on third shift is hereby abolished.

Travelling Allowance from House to Place of Work

3.82 The Travelling Allowance from house to place of work payable to employees in the Armed Forces is hereby abolished. The provision of military transport for such a purpose shall also be withdrawn.

Military Allowance

3.83 Military Allowance payable to officers on the Professional Duty List in the Armed Forces is hereby abolished.

Incentive Allowance for Corps of Accountants

3.84 Incentive Allowance payable to the Corps of Accountants is hereby abolished.

Educational and Efficiency Allowance

3.85 The Educational and Efficiency Allowance payable to Police personnel is hereby abolished.

...299/-

Long Service Medal Allowance

3.86 Long Service Medal Allowance payable to employees in Sarawak is hereby abolished. However, serving employees who are in receipt of this allowance shall continue to do so on a personal-to-holder-basis.

Standstill Allowance

3.87 Standstill Allowance payable to N.E.B. employees is hereby abolished. Employees who are in receipt of Standstill Allowance on a personal-to-holder basis shall continue to receive such allowance on a personal-to-holder basis.

Night Telephone Operator Allowance

3.88 The Night Telephone Operator Allowance payable to N.E.B. employees is hereby abolished.

Hard Living Allowance

3.89 The Hard Living Allowance payable to employees in Sarawak is hereby abolished.

Tonnage Bonus

3.90 The Tonnage Bonus payable to cargo-handling employees in the Port Klang Authority is hereby abolished.

Movement Bonus

3.91 The Movement Bonus payable to Marine Pilots for navigating vessels is hereby abolished.

Outstation Allowance

3.92 The Outstation Allowance payable to employees in Sabah is hereby abolished.

...300/-

Hard Lying Money

3.93 Hard Lying Money payable to Naval personnel is hereby abolished.

Confined and Hot Space Allowance

3.94 Confined and Hot Space Allowance payable to Naval personnel is hereby abolished.

Electricity Allowance

3.95 Free electricity up to 14 units provided to the former Industrial and Manual Group employees of the National Electricity Board accommodated in quarters and the payment of an allowance at $3.50 per month in lieu are hereby abolished. They may, however, continue to be granted to serving employees on a personal-to-holder basis.

Kediaman Allowance

3.96 The allowance payable to civilian teachers attached to the Royal Military College is hereby abolished.

Hill Allowance

3.97 (i) Employees who are stationed at Fraser's Hill and Cameron Hihglands will be eligible for an allowance equal to one increment.

(ii) Hill allowance payable to employees in Local Authorities in Penang is hereby abolished.

(iii) Hill allowance payable to the National Electricity Board employees is hereby abolished. Those who are in receipt of such an allowance on a personal-to-holder basis may continue to do so on the same basis.

...301/-

Shift Allowance

3.98 (i) Employees who are required to work on two shift cycles will be eligible for an allowance equal to one increment.

(ii) Employees who are required to work on three shift cycles will be eligible for an allowance equal to two increments.

Stripe Allowance

3.99 The Stripe Allowance payable to Postmen and Telegraph Messengers is hereby abolished.

Insurance Premium

3.100 The Insurance Premium payable to employees in the Kota Tampan Local Council, Lenggong, Hulu Perak is hereby abolished.

Incremental Credit

3.101 The existing privision of one increment to Officers who join the Professional Duty List in the Armed Forces in hereby abolished.

SECTION IV: REIMBURSABLE PERQUISITES

4.1 Reimbursable perquisites are defined as those which invariably involve a certain amount of outlay first on the part of the employee concerned, be it in the form of cash or kind which are then reimbursed by the employer, also in cash or kind or both. The criterion that should be used in determining the quantum of reimbursement should depend on whether such reimbursement is meant to meet in full the actual outlay or only in part in the form of a subsidy.

TIME OFF AND OVERTIME

4.2 Except in the case of members of the Armed Forces, the Police Force, the Fire Services and the uniformed employees of the Prisons Department, public employees who are required to work in excess of or outside normal working hours, shall be eligible for time off or Overtime Allowance in lieu thereof in accordance with the conditions as set out in the General Orders Chapter G of the Federal Government and the formula and rates set out in the paragraphs that follow.

Time Off

4.3 Time off shall be given within the calendar month during which the overtime was done. If this is not possible, such employee should be paid overtime.

Overtime

4.4 For the purposes of calculating overtime, the hourly pay shall be calculated by dividing the annual clean wage by 313 x 8.

4.5 The rates for the payment of overtime shall be as follows :

	Day Work	Night Work
Ordinary Day	1 1/8	1¼
Normal Rest Day	1¼	1½
Emergency Work (While on duty)	1½	1¾
Public Holiday and Emergency - Work (Not on duty)	1¾	2

Standby Duty Allowance

4.6 Standby Duty Allowance will be payable to employees who are required to remain on Standby Duty in cases of emergency or breakdown of service in accordance with the existing rates as laid down in General Orders Chapter G of the Federal Government.

Breakdown Allowance

4.7 Breakdown Allowance payable to employees who are required to perform extra duties to prevent breakdown or restore service outside normal working hours, according to pre-arranged programmes of work, is hereby abolished. Such employees will henceforth be eligible for time off, or in lieu thereof, the payment of overtime.

Meal Allowance

4.8 Meal Allowance payable to employees in the Port Authorities of Klang and Penang is hereby abolished. Such employees who are required to work outside normal hours of work will henceforth be eligible for time off or, in lieu thereof, the payment of overtime.

Special Duty Allowance

4.9 The Special Duty Allowance payable to Assistant Traffic Managers in the Port Authorities who work in excess of normal working hours or turns is hereby abolished. They will henceforth be eligible for time off, or in lieu thereof, the payment of overtime.

...304/-

Honorarium

4.10 The Honorarium payable to employees in the Ceremonial Division of the Prime Minister's Department and employees who are required to be on duty at the Secretariat of International and National Conferences is hereby abolished. Such employees would henceforth be given time off or, in lieu thereof, will be eligible for the payment of overtime.

Extra Ferry Trip Allowance

4.11 The Extra Ferry Trip Allowance payable to ferry crews is hereby abolished. Such employees who are required to work outside normal working hours will be eligible for time off or in lieu thereof the payment of overtime.

Latex Allowance

4.12 The Latex Allowance payable to employees in the Port Authorities is hereby abolished. Such employees who are required to work outside normal working hours will be eligible for time off or in lieu thereof the payment of overtime.

Forklift Hatch Allowance

4.13 The Forklift Hatch Allowance payable to Forklift Drivers in the Port Authorities for working in hatch is hereby abolished. Such employees who are required to work outside normal working hours will be eligible for time off or in lieu thereof the payment of overtime.

Cukai Jeti Fees

4.14 Cukai Jeti Fees payable to employees in Ibu Pejabat Laut is hereby abolished. Such employees will be eligible for time off or in lieu thereof the payment of overtime when they are required to work outside normal working hours.

...305/-

Call-out Allowance

4.15 Call-out Allowance payable to Storekeepers and Storemen who are required to perform duties outside normal working hours is hereby abolished. Such employees will henceforth be eligible for time off, or in lieu thereof, the payment of overtime.

ENTERTAINMENT ALLOWANCE

4.16 All existing Entertainment Allowances payable to public employees are hereby abolished. Hendeforth public employees in Division One of Superscale 'G' and above will be eligible for an Entertainment Allowance at the following rates :

Grade		Rates
(a) Superscale D and above	-	10% of clean wage per month.
(b) Superscale G to E	-	5% of clean wage per month.

4.17 Regimental Sergeant Majors in the Armed Forces will be eligible for an Entertainment Allowance at the rate of 5% of clean wage.

4.18 Entertainment Allowance payable to Officers in the Royal Malaysian Navy who are in receipt of Command Money is hereby abolished. However, such Officers of the rank of Lieutenant will be eligible for an Entertainment Allowance at the rate of $\frac{5\% \text{ of Clean Wage}}{30}$ per day, when they are in command of a ship.

Penghulu Allowance

4.19 Penghulu Allowance payable at present is hereby abolished and henceforth Penghulu will be eligible for an Entertainment Allowance at the rate of 5% of clean wage per month.

...306/-

Preventive Allowance

4.20 Preventive Allowance payable to employees in Division Two and below in the Royal Customs and Excise Department who are attached to the Preventive Branch is hereby abolished and they will henceforth be eligible for an Entertainment Allowance at the rate of 5% of clean wage per month.

Investigation Allowance

4.21 Investigation Allowance payable to employees in Division Two and below in the Narcotics Bureau who are involved in investigation work is hereby abolished, but they will henceforth be eligible for an Entertainment Allowance at the rate of 5% of clean wage.

Detective Allowance

4.22 The existing provisions regarding the payment of Detective Allowance to Police Rank and File are hereby abolished and henceforth, they will be eligible for an Entertainment Allowance at the rate of 5% of clean wage per month.

Commercial Representative Allowance

4.23 Commercial Inspectors in the Malayan Railway will be eligible for an Entertainment Allowance at the rate of 5% of clean wage per month.

SUBSISTENCE AND LODGING ALLOWANCES

Subsistence Allowance

4.24 Public employees who are required to spend the night away from headquarters station in the execution of their duties for more than 24 hours will be eligible for Subsistence Allowance at the following rates :

...307/-

(a) Peninsular Malaysia

Salary		Rates
Below Superscale 'D'	-	2½% of clean wage subject to a maximum of $17.50 a night (to be rounded off to the nearest 5 cents).
Superscale 'D' and above	-	2½% of clean wage subject to a maximum of $20.00 a night.

(b) Sabah

The rate payable in Sabah should be 25% higher than that payable in Peninsular Malaysia.

(c) Sarawak

The rate payable in Sarawak should be 10% higher than that payable in Peninsular Malaysia,

(d) Singapore

The rate payable in Singapore should be 10% higher than that payable in Peninsular Malaysia.

4.25 No Subsistence Allowance is payable to employees when occupying furnished Government quarters with messing facilities away from his headquarters or when travelling by vessels where the passage fare defrayed by the Government includes messing.

4.26 Employees on duty overseas and employees who are serving in overseas duty stations will be eligible for Overseas Subsistence Allowance at the rates set out in Federal Treasury Circular No: 4 of 1974.

...308/-

Day Allowance

4.27 A public employee who spends his duty hours away from headquarters station for more than 8 hours but less than 24 hours will be eligible for a Day Allowance equal to one-half of the Subsistence Allowance mentioned in paragraph 4.24 of this Circular.

Lodging Allowance

4.28 Public employees who are required to spend the night away from headquarters station on duty and accommodated in hotels and rest houses will be eligible for Lodging Allowance with the support of receipts at the following rates :

(a) Peninsular Malaysia

Classification	Maximum rate for lodging expenses per night
Superscale D and above	- Actual expenses
Division One	- $29.00
Division Two	- $22.00
Division Three	- $15.00
Division Four	- $ 8.00

(b) Sabah

The rate payable in Sabah should be 25% higher than that payable in Peninsular Malaysia.

(c) Sarawak

The rate payable in Sarawak should be 10% higher than that payable in Peninsular Malaysia.

(d) Singapore

The rate payable in Singapore should be 10% higher than that payable in Peninsular Malaysia.

...309/-

Special Event Allowance

4.29 The Special Event Allowance payable to employees in Bernama is hereby abolished, and the employees concerned will be eligible for a Day Allowance or Subsistence Allowance as the case may be if they are performing duties away from their duty station.

4.30 Employees may claim Lodging Allowance without the support of receipts at the following rates :

(a) Peninsular Malaysia

Classification	Rate of Lodging Allowance per night
Superscale D and above -	$23.00
Division One -	$21.00
Division Two -	$16.00
Division Three -	$11.00
Division Four -	$ 6.00

(b) Sabah

The rate payable in Sabah should be 25% higher than that payable in Peninsular Malaysia.

(c) Sarawak

The rate payable in Sarawak should be 10% higher than that payable in Peninsular Malaysia.

(d) Singapore

The rate payable in Singapore should be 10% higher than that payable in Peninsular Malaysia.

4.31 Employees in Peninsular Malaysia performing their duties in Sabah or Sarawak will be eligible for the rates payable in Sabah or Sarawak and employees in Sabah and Sarawak performing their duties in Peninsular Malaysia will be eligible for the rate payable in Peninsular Malaysia.

...310/-

4.32 Employees on duty overseas and those who are serving overseas will be eligible for Lodging Allowance at the rates set out in Federal Treasury Circular No: 4 of 1974.

Checking Entertainment Tax Allowance

4.33 The allowance payable to employees who are required to undertake surprise checks on cinema halls and other amusement spots is hereby abolished. Such employees will be eligible to claim the appropriate allowances when performing their duties outside their duty station or outside normal working hours.

Commuted Subsistence and Lodging Allowance

4.34 Employees in the Public Sector who are required to perform their official duty away from their duty station shall be eligible to draw Subsistence and Lodging Allowance for the first three months only. For periods above the three months but not more than six months, they would be eligible to draw Commuted Allowance calculated based on the present formula :

2/3 (Subsistence Allowance + Lodging Allowance) x number of days after the first three months.

Commuted Allowance

4.35 All forms of commuted allowance (i.e. Subsistence and Lodging, Mileage, Transport, Petrol and Overtime Allowances) payable at present are hereby abolished. In lieu thereof, employees may claim the appropriate allowance in accordance with rates prescribed for them in this Circular.

Lodging Allowance For Drivers

4.36 Drivers employed by Division One Officers required to spend the night away in the performance of their duty will be eligible to draw Lodging Allowance at the rate of ¾ of the allowance prescribed for Division IV employees per night.

...311/-

Musafir Allowance

4.37 The Musafir Allowance payable to Tutors of the University of Technology is hereby abolished. Instead, they will be eligible for Subsistence and Lodging Allowances as provided for in this Circular when they are on duty away from the University.

ALLOWANCE FOR ATTENDING IN-SERVICE COURSES

4.38 (i) Employees who are required to attend in-service courses and are not provided with food and accommodation are eligible to draw an allowance based on the formula set out below :

¼ of Subsistence and Lodging Allowance x number of days attending the course.

(ii) If either food or accommodation is provided then the Subsistence or Lodging allowance as the case may be should not be included in the formula shown in sub-paragraph (i).

(iii) In cases where employees are held against pool vote during the duration of the courses, their duty station will be deemed to be their last duty station for the purpose of this allowance.

Haversack Rations

4.39 The supply of Haversack Rations to Armed Forces personnel shall continue.

Field Allowance

4.40 The Field Allowance payable to employees who spend the night away from headquarters stations in tents or other temporary accommodation is hereby abolished.

Camp Allowance

4.41 The Camp Allowance payable to employees who spend the night away from headquarters stations in tents or other other temporary accommodation is hereby abolished.

Jungle Allowance

4.42 The Jungle Allowance payable to employees who spend the night away from headquarters station in tents or other temporary accommodation is hereby abolished.

Subsistence and Food Allowances for Trainmen

4.43 The Subsistence Allowance payable to Trainmen for the first 26 hours and Food Allowance payable after completion of an extended turn of duty exceeding 16 hours are hereby abolished. Instead Trainmen shall be eligible for Subsistence and Lodging Allowances as provided for in this Circular when they are on duty away from their home station.

Pay Train Allowance

4.44 The allowance payable to employees in charge of Pay Train is hereby abolished. Instead such employees will be eligible for Subsistence Allowance as provided for in this Circular when they are on duty away from home station.

Detention Allowance

4.45 The Detention Allowance payable to public employees is hereby abolished. Instead employees who are required to stay away and be accommodated in hotels or rest houses in the performance of their duties will be eligible for Board and Lodging Allowance as provided for in this Circular.

Field Allowance (F.E.L.D.A.)

4.46 The existing provisions regarding the payment of Field Allowance payable to employees in the Federal Land Development Authority is hereby abolished. Instead, they will be eligible for Subsistence and Lodging Allowances as provided for in this Circular when they are on duty away from their headquarters station.

...313/-

TRANSPORT AND TRAVELLING

Mileage Allowance

4.47 Employees in the Public Sector who are required to use their own private motor vehicles in the performance of their official duties will be paid a Mileage Allowance as set out below :

Classification		Rates
Superscale D and above	-	42 cents per mile
Division One but below Superscale D	-	40 cents per mile
Division Two	-	34 cents per mile
Division Three	-	18 cents per mile
Division Four	-	8 cents per mile

4.48 Employees who are serving in overseas duty station will be eligible for the payment of Mileage Allowance as provided in Confidential 835 issued by Wisma Putra.

Outboard Motor Allowance

4.49 Employees who are required to use their own outboard motors in the performance of their official duties will draw Mileage Allowance at the following rates :

Under 6 H.P.	-	30 cents per mile
6 H.P. to 16 H.P.	-	50 cents per mile
Over 16 H.P.	-	70 cents per mile

Bicycle Allowance

4.50 (i) Employees who are required to use their own bicycles regularly in the performance of their official duties will draw an allowance of $10.00 per month.

(ii) Employees who are not required to use their own bicycles regularly in the performance of their duties will be eligible for a Mileage Allowance at 5 cents per mile subject to a maximum of $10.00 per month.

...314/-

Transport Allowance

4.51 The Transport Allowance payable to employees in the Port Kelang Authority is hereby abolished. Such employees would, however, be eligible to claim mileage or actual expenses incurred when traveling on official duty.

Passages

4.52 Except for employees who are serving in overseas duty stations, other public employees travelling on duty within or outside Malaysia will be eligible for the classes of passage as follows :

(a) By Air

Within Malaysia		Outside Malaysia	
Classification	Class	Classification	Class
Superscale 'D'	First Class	Superscale 'A' and above	First Class
Below Superscale 'D'	Economy Class	Below Superscale 'A'	Economy Class

(b) By Sea snd Rail

Division One and Two - First Class

Division Three - Second Class

Division Four - Third Class

4.53 An employee proceeding to take up an appointment overseas or returning to Malaysia or on other occasions with the approval of the Head of Mission, the cost of fares by an approved method and route will be borne by the Appropriate Authority for the following members of his family :

(a) his wife

(b) dependent sons under the age of eighteen at the start of the employee's outward voyage or in the case of sons who are receiving full-time education/ instructions in the country to which an officer is posted, under the age of 21 years;

...315/-

(c) unmarried daughters residing with and dependent upon the officer;

(d) dependent sons who are mentally retarded or physically handicapped.

Sea Travel

4.54 (i) The grades of accommodation approved for employees and their families when travelling by sea are as follows :

(a) 1st class for employees in Branch 'A', employees in Branch 'B' in receipt of a clean wage of $1,270/- per month and over and women employees in Branch 'B'.

(b) Second or Tourist class for all other employees in Branch 'B' and all employees in Branch 'C'

(ii) On ships having 1st class Grade A and Grade B accommodation, 1st class accommodation will be alloted as follows :

(a) 1st class Grade A for employees in receipt of a substantive clean wage of over $1,120 a month.

(b) 1st class Grade B for other employees eligible for 1st class accommodation.

Air Travel

4.55 On air routes where a Tourist service is available, accommodation will be alloted as follows to employees and their families :

(i) Non Tourist : (a) for employees in Superscale 'A' and above;

(b) for High Commissioners/Ambassadors and their wives;

(c) children of High Commissioners/ Ambassadors if they travel with their parents.

...316/-

(ii) children of High Commissioners/Ambassadors will travel in economy class when travelling on their own. Employees of other grades and their families are allowed only to travel tourist class.

(iii) Supplements, e.g. for excess baggage, mileage, breaking journey, etc. will not be paid from public funds.

Land Travel

4.56 When a rail journey forms part of an approved journey the grades of accommodation approved for employees and their families would be as follows :

(a) First Class (including sleeping berths) for employees in Branch 'A', employees in Branch 'B' in receipt of a clean wage of $1,270/- a month and over and women employees in Branch 'B'.

(b) Second Class (including sleeping berths, if available) for all other employees.

Head of Mission

4.57 Heads of Mission may be accompanied by their wives on visits or tours involving their representational and ceremonial functions or if the occasion demands the presence of their wives.

Other Branch 'A' Employees

4.58 (i) Branch 'A' employees may be accompanied by their wives on visits or tours only in cases where they represent or deputise for the Head of Mission and where it is necessary for protocol and diplomatic reasons for their wives to accompany them. In other cases, approval of the Secretary-General, Ministry of Foreign Affairs should be sought.

(ii) Children and servants may NOT accompany Heads of Mission and other Branch 'A' employees on official tours unless specific permission has been granted by the Minister of Foreign Affairs.

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Servants' Passages

4.59 All servants are entitled to the cheapest form of sea and land passages. Servants will be allowed to travel by air (Tourist/Economy Class) for their outward and homeward journeys at the commencement and completion of the employee's tour of duty overseas, subject to the following limits :

(a) up to 3 servants where an employee is eligible for 5 servants;

(b) up to 2 servants where an employee is eligible for 4 or 3 servants;

(c) one servant where an employee is eligible for 1 or 2 servants.

4.60 Where the cost of sea passage is more than the cost of tourist air passage, then approval may be obtained for the cost of tourist air passage to be borne from public funds.

4.61 Passages will not be provided for servants' children at Government expense.

Flying Visits

4.62 Employees are not allowed to arrange flying visits by their families at the expense of Government. Whenever possible, the family of the employee must reside with him for a period of not less than six months during a tour of service in order to qualify for passage at Government expense. However, when exceptional circumstances are adduced, e.g. for medical reasons or on compassionate grounds, the Secretary-General Ministry of Foreign Affairs will exercise his discretion to allow passages to be granted based on the merits of each case. In such special circumstances, the family of an employee include not only his wife and children but his servant as well.

...318/-

Visits of Parents to see Children Schooling in Malaysia

4.63 In place of children visiting their parents serving abroad parents if they so wish, may visit their children in Malaysia subject to the following conditions :

(a) The visit is limited to one visit per year by either the employee or his wife irrespective of the number of children schooling in Malaysia.

(b) The employee or his wife will only be provided with economy class air fare for the purpose.

(c) The cost of air fare involved should not exceed the total cost of air fare if the children were to visit their parents.

Visit of Children to see Parents Serving Abroad

4.64 (i) Children schooling in Malaysia may visit their parents serving abroad at any time during the year subject to the following conditions :

(a) Not more than one visit should take place during any particular year; and

(b) No visit should take place within a period of 6 months before the final departure of an employee from his post.

(ii) Dependent children of employees serving overseas who are under the age of 18 and receiving full-time education overseas other than in the country of the duty station should be allowed to visit their parents on the same terms as those studying in Malaysia provided that the air fare paid should not exceed the cost of return journey from Malaysia to the country of the duty station of the employees concerned.

(iii) Dependent children of employees who are left behind at a particular duty station to continue their studies while the

...319/-

employee is transferred may join parents again in Malaysia or at the new duty station. In all such cases, only economy class air fare will be paid and such air passage may be utilised within one year from the date of the employee's transfer.

(iv) Where such passage is utilised after one year, then the cost of such passage at that time should not exceed the cost of passage that could have been incurred at the time of the employee's transfer. When it is necessary to leave behind any member or members of an employee's family or servant to look after the said dependent, then such member or members of the employee's family or servant shall be eligible for such approved passage to join the employee in Malaysia or at the new duty station under the same condition.

Relief Break For Employees Posted To Moscow

4.65 Employees in the External Affairs Service who are posted to Moscow shall be eligible for relief break as set out below :

(i) One return air passage, economy class to London for employee and his family per tour; or

(ii) Two return passages by rail to Helsinki for employee and his family per tour, the first to be taken 6 months after the posting and the second a year later.

Passage in the event of death

4.66 (i) In the event of the death overseas of a person entitled to a return passage, the cost of transporting his/her body by air to Malaysia would be met from public funds (such cost would include other charges connected with the transporting of the body). In addition, the cost of a return journey for members of the immediate family of the deceased to accompany the body would also be payable.

...320/-

(ii) In the event of death in Malaysia of any of the children of an employee, the cost of return passage for the employee and his immediate family would be payable from public funds. In the case of member of the employee's family other than his wife or child, only economy class air travel should be provided.

(iii) In the case of the death in Malaysia of either of the parents of an employee or his wife, the cost of a return air passage for the employee or his wife or a member of the employee's family designated by the employee would be payable. In the case of member of the employee's family other than his wife or child, only economy class air travel should be provided.

(iv) In the case of the death of a bachelor employee the cost of a return air passage for a member of his family to bring the body back would be payable.

Travel to Hometown whilst on leave in Malaysia

4.67 (i) An employee returning on leave from overseas posting or on leave prior to his departure for posting overseas or in the Ministry may travel from Kuala Lumpur to his designated place of leave and back at public expense subject to the following conditions :

(a) At the time of application for leave an employee should give his home address in this country at which he will reside during his leave. He should state whether the home is owned or rented by him, his wife, his parents or other relatives. For the purpose of claiming rail fares, addresses of parents or relatives may be accepted if the employee has no home of his own. However, addresses of friends, hotels or clubs should not be accepted for this purpose.

...321/-

(b) Rail fares will be granted only where the employee spends at least one month or half the period of the leave granted to him, whichever may be less, at the home address given by him.

(c) Every claim for payment of rail fares should be supported by a certificate signed by the employee concerned stating that the address given by him is his bona fide home address during his leave. The actual duration of his stay at the address should be stated.

(d) Wherever practicable, and in the interest of economy, the employee should emplane/deplane or embark/disembark at the port nearest to the home address given, unless the exigencies of the service require otherwise.

(ii) No payment will be made if the employee :

(a) Returns to his hometown for leave prior to posting overseas or prior to posting overseas after a tour of duty in Malaysia.

(b) Returns to Kuala Lumpur for consultation and he takes the opportunity to return to his hometown.

Passages for Armed Forces Personnel and Family

4.68 Armed Forces personnel will be eligible for the following passages :

(i) to the place where they are required to report on enlistment or commission;

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(ii) return passage to an examination centre where they are required to attend an examination;

(iii) return passage to a place where a funeral is conducted if required to attend the funeral;

(iv) return passage to a criminal or civil court where they are required to attend as a witness on matters connected with them in their official capacity;

(v) return passage to the place of investiture when given an award and may be accompanied by two members of their family;

(vi) at the completion of their service.

4.69 Families of Armed Forces personnel will be eligible for the following passages :

(i) return passage to hospitals for treatment;

(ii) return passage to hospitals where the Armed Forces personnel are dangerously ill;

(iii) return passage to the place where the funeral of Armed Forces personnel is conducted;

(iv) to the home town of the widow and children of a deceased personnel;

(v) return passage for the widows of personnel to the place of investiture where a posthumous award is made.

Train Mileage Allowance

4.70 Train Mileage Allowance payable to Drivers and Firemen is hereby abolished.

Travelling Ticket Inspectors' Allowance

4.71 The Travelling Ticket Inspectors' Allowance is hereby abolished. Instead Travelling Ticket Inspectors shall be eligible for all the allowances and privileges enjoyed by employees of equivalent grade when on duty away from home station.

Motorcycle Allowance

4.72 Motorcycle Allowance payable to employees provided with departmental motorcycles is hereby abolished. However, they shall be eligible for driving licence fee.

Commuted Motorboat Allowance

4.73 The Commuted Motorboat Allowance is hereby abolished. Instead, employees who are required to use their own motorboat in the performance of their official duties will be eligible to draw Outboard Motor Allowance as mentioned in paragraph 4.49 of this Circular.

Staff Cars

4.74 (i) Employees in the Staff Grades of Division One will be eligible for the provision of staff cars for the performance of their official duties under the following conditions :

(a) Value of Car

Staff Grade I	-	not exceeding $20,000
Staff Grade II	-	not exceeding $18,000
Staff Grade III	-	not exceeding $15,000

(b) Departmental Car

Employees provided with staff cars may not use Departmental cars.

(c) Maintenance and Ownership

The staff cars will be maintained departmentally and remain the property of the Departments concerned.

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(ii) Employees who are below the rank of Staff Grade and are at present being provided with staff cars will continue to enjoy the privilege on a personal to holder basis.

4.75 Armed Forces personnel of the rank of Brigadier General and above and Police Force personnel of the rank of Senior Assistant Commissioner and above will be eligible for a departmental car.

4.76 Employees in Division One of Superscale D and above will be eligible for a Transport Allowance at the rate of 5% of their clean wage per month if they are not provided with staff cars.

Rail Passages

4.77 Armed Forces personnel will be eligible for rail passages to their registered home town as follows :

(i) Twice a year for Armed Forces personnel concerned only; or

(ii) Once a year with family including three children.

4.78 Police Rank and File will be eligible for rail passages to their registered home town as follows :

(i) Once a year for personnel only; and

(ii) Once in three years for personnel and family.

Drivers Allowance

4.79 (i) Public employees in Division One who employ licensed full-time drivers may claim Drivers Allowance for travelling on duty at the following rates :

Clean Wage		Drivers Allowance equal to:
(a)	Staff Grade III and above -	7th step on PS(K-3) Timescale
(b)	Superscale 'C' up-to Superscale 'A'	5th step on PS(K-3) Timescale
(c)	Superscale 'G' up-to Superscale 'D'	3rd step on PS(K-3) Timescale
(d)	Timescale -	1st step on PS(K-3) Timescale

...325/-

(ii) The payment of the Drivers Allowance in the above cases shall be subject to the conditions that no officials drivers are assigned to them or that they are not entitled by virtue of the post they hold to the regular use of an official car and driver.

Conveyance Loans

4.80 Public employees who have to use their own motor vehicles for the efficient performance of their duties will be eligible to apply for loans to purchase a means of conveyance and such loans shall be subject to an interest charge of 4% per annum. However, no interest will be charged on loans provided to purchase bicycles. The maximum amounts that employees are eligible to apply for will be as follows :

(i) Motor Cars :

(a)	Employees drawing a clean wage of $4,570 and above	- $15,000
(b)	Employees drawing a clean wage of $3,820 and above	- $12,000
(c)	Employees drawing a clean wage of $2,770 and above	- $10,000
(d)	Employees drawing a clean wage of $1,720 and above	- $ 9,000
(e)	Employees drawing a clean wage of $795 and above	- $ 8,000
(ii)	Motor Cycle	- $ 2,000
(iii)	Inboard and Outboard Engines	- $ 2,500
(iv)	Boat Hull	- $ 500
(v)	Bicycle	- $ 200

4.81 The amount of loan shall not exceed the cost of the vehicles to be purchased.

4.82 The existing regulations governing the conveyance loans shall continue to apply.

...326/-

TRANSFER EXPENSES AND GRANTS

4.83 (i) An employee will be eligible to claim actual expenses with the support of receipts for the transfer of personal effects. In cases where departmental vehicles are used, an employee shall not be eligible to claim transport expenses.

(ii) An employee will be eligible to claim actual expenses based on his eligibility for himself and his family from his duty station to the new place of work, However, he is not eligible to claim travelling expenses if he is eligible to claim mileage allowance.

(iii) An employee will be eligible to claim mileage allowance if he uses his own vehicle from his duty station to the new place of work.

(iv) An employee will be eligible to claim Subsistence and Lodging Allowance for himself and his family with the support of receipts for periods of not more than three days before he leaves his duty station and not more than three days after he has reached the new place of work. The maximum which an employee is eligible to claim for each member of his family is one half of his eligibility. An employee who is unable to produce receipts for Subsistence Allowance will only be eligible to claim one half of his eligibility in respect of himself and one quarter in respect of each member of his family.

(v) An employee will be eligible to claim Subsistence Allowance for himself and members of his family on the first day of the transfer without the support of receipts if he does not make any claim in (iv) above in respect of the same.

Transfer Grant

4.84 (i) An employee will be eligible for a transfer grant at the following rates for purposes of meeting packing, labour, storage and insurance charges :

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		Single	Married
Division One	-	$200.00	$400.00
Division Two	-	$150.00	$300.00
Division Three	-	$100.00	$200.00
Division Four	-	$ 50.00	$100.00

(ii) However, if the distance from the duty station and the new place of work does not exceed 20 miles, an employee will only be eligible for one half of the rate mentioned above.

Moving House Within the Same Locality

4.85 An employee will be eligible for transfer expenses if he is required by the Appropriate Authority to move house within the same locality or by circumstances beyond his control :

(i) An employee will be eligible to claim subsistence allowance for himself and his family on the first day of the transfer only. The maximum which he will be eligible to claim for each member of his family is one half of his eligibility.

(ii) An employee will be eligible to claim a transfer grant equal to one half of the rates prescribed in para 4.83 of this Circular.

Transfer within Sabah and Sarawak

4.86 An employee in Sabah and Sarawak on transfer within the respective States or on moving house within the same locality will be eligible for the same allowance, grant and privileges and be governed by the same conditions as applicable to employees of similar grade in Peninsular Malaysia except that in the case of Subsistence Allowance, Lodging Allowance and Transfer Grant they will be eligible at the rate which is 25% higher than that of Peninsular Malaysia in the case of Sabah and 10% in the case of Sarawak.

...328/-

Transfer from Peninsular Malaysia to Sabah and Sarawak

4.87 (i) An employee will be eligible to claim actual expenses with the support of receipts in respect of the transport of personal effects.

(ii) An employee will be eligible to claim actual expenses for himself and his family based on his eligibility.

(iii) An employee will be eligible to claim Mileage Allowance based on his eligibility.

(iv) An employee will be eligible to claim Subsistence and Lodging Allowance in accordance with his eligibility based on the prevailing rates in the respective States.

(v) An employee will be eligible to claim actual packing charges with the support of receipts.

Transfer fom Sabah or Sarawak to Peninsular Malaysia

4.88 Employees from Sabah or Sarawak transferred to Peninsular Malaysia will be eligible for the same privileges as prescribed above except that while in Sabah or Sarawak they will be eligible for the rates payable in the respective States and on reaching Peninsular Malaysia they will be eligible for the rates payable in Peninsular Malaysia.

Transfer from Malaysia to Singapore and Vice Versa

4.89 Employees from Malaysia transferred to Singapore or vice versa will be eligible for the same privileges as prescribed above except that while in Malaysia, they will be eligible for the rates payable in Malaysia and on reaching Singapore they will be eligible at rates 10% higher than that payable in Peninsular Malaysia.

Employees posted to serve in Overseas Duty Station

4.90 Employees who are posted to serve in overseas duty stations may send their personal effects to their hometown and they will be eligible to claim labour and transport charges.

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Disturbance Allowance

4.91 (i) Public employees in Peninsular Malaysia on transfer or posted to Sabah and Sarawak and those in Sabah and Sarawak on transfer or posted to Peninsular Malaysia will be eligible for Disturbance Allowance at the following rates :

(a) Before the transfer - One month clean wage.

(b) End of tour of 18 months - ½ month clean wage.

(c) End of tour of 24 months and above. - 1 month clean wage.

(ii) Employees posted to Malaysian missions abroad will be eligible for Disturbance Allowance in accordance with the rates mentioned in sub-paragraph (i).

OVERSEAS EXPENSES

Representation Allowance

4.91 The provisions regarding the payment of Representation Allowance as provided in Wisma Putra Circular Letter No. 4 of 1974 will continue to apply.

4.93 The provisions regarding the payment of Special Representation allowance as provided in Wisma Putra Circular Letter No. 4 of 1974 will continue to apply.

4.94 The provisions regarding the payment of Special Representation Allowance for Concurrent Accreditation as set out in Confidential 835 issued by Wisma Putra will continue to apply.

Outfit Allowance

4.95 Public employees serving in overseas duty stations will be eligible for Outfit Allowance as set out in Confidential 835 issued by Wisma Putra. The rates will be as follows :

...330/-

(i) Temperate Climate

	Married	Single
Division One (Superscale Officers)	$1,750.00 (U.S.A. $2,000)	$1,500.00 $1,500.00
Division One (Timescale Officers)	$1,500.00	$1,250.00
Executive Officer (Special Grade and Superscale)	$',250.00	$1,000.00
Executive Officer	$1,000.00	$ 750.00
Clerical Officer	$ 750.00	$ 500.00

(ii) Non Temperate Climate

	Married	Single
Division One (Superscale Officers)	$875.00	$750.00
Division One (Timescale Officers)	$750.00	$625.00
Executive Officer (Special Grade and Superscale)	$625.00	$500.00
Executive Officer	$500.00	$375.00
Clerical Officer	$375.00	$250.00

(iii) Moscow

		Married	Single
(a)	Division One (Superscale Officers)	$2,250.00	$1,500.00
	Division One (Timescale Officers)	$2,025.00	$1,350.00
	Executive Officer (Special Grade and Superscale)	$1,800.00	$1,200.00
	Executive Officer	$1,688.00	$1,125.00
	Clerical Officer	$1,575.00	$1,050.00

(b) In addition to (a), 50% of Outfit Allowance for temperate climate if eligible for full allowance or 25% if eligible for half allowance by reason of an intervening tour in a non-temperate climate.

...331/-

4.96 Public employees on duty overseas will be eligible for an Outfit Allowance of $350/- and an additional grant of $150/- and/or $100/- as the case may be in accordance with existing regulations.

Baggage Allowance

4.97 Public employees serving in overseas duty stations will be eligible for the payment of Baggage Allowance provided in Confidential 835 issued by Wisma Putra. The limits of eligibility will be as set out below :

(a) An employee who travels first class air will be permitted to ship up to 50 cubic feet per adult, half the rate for a child aged 3 years or more and quarter the rate for a child under 3 years of age but not less than 1 year. No allowance will be given for a child under 1 year old.

(b) An employee who travels tourist class air will be permitted to ship up to 65 cubic feet per adult, half the rate for a child aged 3 years or more and quarter the rate for a child under 3 years but not less than 1 year old.

(c) Additional Baggage Allowance will be as follows :

Married Employees - 240 cubic feet.

Single Employees - 120 cubic feet.

4.98 Division One employees of Superscale E and above in the Public Sector who travel on economy class passage may be allowed an excess baggage of 10 kilogrammes above their individual normal airline eligibility. Employees claiming this excess baggage allowance will only be allowed to ship 50 cubic feet of personal effects.

...332/-

Overseas Education Allowance

4.99 The provisions regarding the payment of Overseas Education Allowance at the rate equivalent to 2/3 of actual fees (excluding food, books, uniforms, transport and donations) as provided in Confidential 835 issued by Wisma Putra will continue to apply.

Overseas Allowance (Armed Forces)

4.100 The payment of Overseas Allowance to Officers in the Armed Forces while attending courses overseas is hereby abolished. They will be eligible for the same privileges as applicable to other employees in the Public Sector while attending courses overseas.

Special Allowance (Southern Thailand)

4.101 The Special and Commuted Allowances payable to Police and Armed Forces personnel serving in Southern Thailand are hereby abolished. In lieu thereof, they will be eligible for all the allowances payable to employees in the External Affairs Service serving in Southern Thailand as provided for in Confidential 835 issued by Wisma Putra. In addition, they will be eligible for full housing.

Medical Expenses While On Duty Overseas

4.102 Public employees who fall sick while attending any conference or on duty overseas and are required to incur medical expenses are permitted to claim such medical expenses in accordance with General Orders Chapter F, of the Federal Government subject to the following conditions :

...333/-

(i) The expenses incurred are for normal payment of medicines and medical assistance and attendance;

(ii) If the employee is warded, Subsistence Allowance will be payable for the period he is hospitalised. Medical expenses will be borne by the Government but ward charges shall be met by the employee in accordance with the provisions in the General Orders Chapter F of the Federal Government.

(iii) The medical expenses should be reasonable and where a National Health Service is available, such as in the United Kingdom, the employees shall avail themselves of such facilities.

(iv) Any additional expenses incurred as a result of special treatment or special attention given by a Specialist, should be met by the employee concerned.

Miscellaneous Expenses

4.103 Public employees on duty overseas may also claim the following expenses incurred for the performance of official duty :

(i) taxi fare if no transport is provided;

(ii) telephone calls, telegram and postage;

(iii) one half of dhobi expenses with the support of receipts;

(iv) 15% of Subsistence Allowance for tips or porterage;

(v) Airport tax with the support of receipts;

(vi) Excess baggage (not for personal belongings);

(vii) 2% of total expenses for loss in foreign exchange.

...334/-

OUTFIT AND EQUIPMENT

Plain Clothes Allowance

4.104 Plain Clothes Allowance payable to Detectives and Drivers in the Special Branch of the Royal Malaysia Police is hereby abolished. However they will be supplied with plain clothes based on the same principle and cost of supply of free uniforms to the Police personnel.

Free Denture

4.105 Armed Forces personnel will be supplied with dentures provided that the loss occurs in the performance of their official duty.

Uniform Allowance

4.106 The Uniform Allowance paid to commissioned officers in the Armed Forces and Gazetted officers in the Police Force is hereby withdrawn. Instead, such Officers will be supplied with the necessary unforms.

Tools Allowance

4.107 Employees who are required to use their own working tools and equipment at work will continue to be paid a Tools Allowance in accordance with existing rates and conditions.

Book Allowance

4.108 Book Allowance will be paid to employees on study leave in accordance with the present rates.

Official Telephone

4.109 The provision of official house telephones will depend on the nature of duties of the employees concerned and shall be at the discretion of the Head of Department.

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Free Uniforms

4.110 Employees who are eligible to get free uniforms will continue to receive this privilege. Whenever necessary, proper headgear will also be supplied as part of uniforms.

4.111 Employees who are eligible for free issue of shoes will be supplied with shoes of a type that is appropriate to the nature of duties.

Uniform Allowance

4.112 The Uniform Allowance payable to employees in Sarawak is hereby abolished.

Hearings Aid and Spectacles

4.113 Armed Forces personnel will be supplied with hearing aids or spectacles if it is certified by a Medical Officer that such aids are necessary for the efficient performance of their duties.

Civilian Dress

4.114 Armed Forces personnel who are serving in the following units and are required to wear civilian clothes, will be eligible for the supply of civilian clothes on the same basis as the supply of uniforms :

(i) Joint Intellegence Directorate.

(ii) Military Police Unit.

(iii) Special Military Staff Unit.

Dhoby Allowance

4.115 Subject to paragraph 4.115 of this Circular, the Dhoby Allowance payable to employees required to use uniforms on duty is hereby abolished. Such employees will henceforth be provided with laundry facilities.

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4.116 Naval personnel serving on ships where laundry facilities are not available will be eligible for Dhoby Allowance at $2.50 per week.

House Furniture Allowance

4.117 The House Furniture Allowance payable to Pegawai Jajahan in Kelantan is hereby abolished. The house/quarters should be supplied with the necessary furniture.

Coat Allowance - Interpreters

4.118 The Coat Allowance payable to Interpreters is hereby abolished. However, such Interpreters should be provided with the necessary laundry facilities.

MISCELLANEOUS

Consultation Fees

4.119 (i) University Non-Medical Teachers will be eligible to retain a portion of fees payable to them for consultation and other related work as follows :

Annual Receipts		Payable to Staff	Retained by University
First $3,000	-	100%	Nil
Next $4,000	-	60%	40%
Next $4,000	-	40%	60%
Next $11,000 or more.	-	20%	80%

(ii) Employees shall only be allowed to undertake such work if it does not interfere with their normal duties.

Pilotage Fees

4.120 Marine Pilots will be eligible to retain a portion of fees payable to them for navigating vessels on the same basis as set out in paragraph 4.118 of this Circular.

...337/-

Language Allowance

4.121 Employees other than Interpreters and Police personnel who are required to learn foreign languages (other than English) will be eligible for Language Allowance at the following rates :

(i) In Malaysia or Singapore

If the employee attends school/class the allowance which he may be eligible will be the actual school/class fees subject to a maximum of $45.00 per month provided that the school/class period is not less than 12 hours per month and not less than 1 hour per period.

(ii) Other Countries

(a) If the employee attends school/class the allowance which he may be eligible will be the actual school/class fees, subject to a maximum of $80.00 per month.

(b) If the employee engages a Munshi he will be eligible to claim fees at the following rates :

For 1 student - $8.00 per hour subject to a maximum of $96.00 per month.

For 2 students - $10.00 per hour subject to a maximum of $120.00 per month.

For 3 students - $12.00 per hour subject to a maximum of $144.00 per month.

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Singapore Tax - 10%

4.122 The refund of the 10% Government tax imposed by the Public Utilities Board, Singapore on Armed Forces personnel serving in Singapore will be discontinued.

Burial Expenses

4.123 Burial expenses subject to a maximum of $150/- will be paid to the family of Armed Forces personnel who died in the performance of their duties. However, if the burial is undertaken by the Armed Forces authorities, the dependents of the deceased will be eligible for a return passage to the place of burial.

Head of Delegation Allowance

4.124 Head of Delegation Allowance payable to employees in Sarawak is hereby abolished.

Study Allowance

4.125 The Study Allowance payable to employees in Sabah and Sarawak is hereby abolished,

Leave Allowance

4.126 The Leave Allowance payable to employees in Sarawak is hereby abolished.

Tuition Fees

4.127 Tuition fees payable to employees in Sarawak is hereby abolished.

Education Allowance

4.128 The Education Allowance payable to employees in Sabah and Sarawak is hereby abolished.

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Electricity Allowance

4.129 Free supply of electricity or an allowance in lieu thereof payable to employees in the Fire Services is hereby abolished.

Water Allowance

4.130 Free supply of water or an allowance in lieu thereof payable to employees in the Fire Services is hereby abolished.

Kerosene and Water Allowances

4.131 The Kerosene and Water Allowances payable to all Federal Land Development Authority Field Staff in the land schemes are hereby abolished.

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SECTION V: RESPONSIBILITY PERQUISITES

5.1 Responsibility perquisites are defined as part of remuneration that is payable in the form of an allowance for the performance of duties which do not fall within the normal run of activities performed by a given category of employees concerned or additional to the duties that normally can be expected to be performed by them. Responsibility perquisites are classified into four types, viz. Acting, Charge, Specialist and Additional Allowances.

ACTING ALLOWANCE

5.2 An Acting Allowance should be equal to the full difference between the clean wage of the substantive post of an employee and that of the higher post on which he is acting full-time for the time being, i.e. not covering the higher post in addition to his own, subject to a minimum of one increment, based on the incremental credit provided at the bottom of the higher clean wage concerned.

5.3 Acting Allowance will be payable to a public employee for performing the duties of a post of a higher grade full-time fora continous period of not less than 28 days.

5.4 An employee who is acting in a higher post will be eligible for all the allowances and privileges that go with the higher post.

CHARGE ALLOWANCE

5.5 (i) A public employee who is required to cover the duties of another post in addition to his own for a continous period of not less than 28 days, will be eligible to receive an allowance equal to three increments based or the substantive clean wage

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scale of the employee concerned. When an employee is on a fixed wage scale, one increment should be taken as equal to the difference between the fixed wage and the wage point next below it on the general clean wage scale.

(ii) The payment of Charge Allowance will be made not only for discharging the duties of an additional established post, but also for discharging the duties of non-established posts such as those of Chairman, Secretary, Treasurer, Director, Member or an Executive of a Statutory or Local Authority, Corporation, Company or of any other public body for whatever purposes established.

(iii) No employee should be permitted to draw Charge Allowances for performing for functions of more than two such extra posts under this paragraph at any one time.

(iv) Any fees received for discharging the duties of a non-established post from the body concerned shall be paid into the Consi dated Fund.

Mail Train Working Allowance

5.6 Timescale Loco Drivers and Firemen who are required to work on Mail Train will be eligible for a Cargo Allowance calculated based on the formula set out below :

$$\frac{\text{Three increments}}{30} = \text{Allowance per day}$$

Tablet Allowance

5.7 Shunting Drivers who are required to work on a train over more than one Block Section will be eligible for a Charge Allowance calculated based on the formula set out below :

$$\frac{\text{Three increments}}{30} = \text{Allowance per day}$$

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Special Administrative Duties Allowance

5.8 Special Administrative Duties Allowance equal to three increments will be payable to employees who perform the duties of the posts mentioned below :

(a) University Academic Staff :

(i) Dean of Faculty

(ii) Deputy Dean of Faculty

(iii) Head of Teaching Department

(iv) Master of Residential College

(b) Institiut Teknoloji MARA Academic Staff :

(i) Head of School

(ii) Course Tutor

Warden's And Hostel Supervisor's Allowance

5.9 Employees appointed to act as Warden or Supervisor of Hostels will be eligible for an allowance at the rate equal to three increments per month.

Night Class Supervisor's Allowance

5.10 The existing provisions regarding the payment of Night Class Supervisor's Allowance will continue except that the rate payable will be equal to three increments.

Election Supervisors

5.11 Employees who are appointed as Supervisors at the Election Commission will be eligible for an allowance equal to three increments.

SPECIALIST ALLOWANCE

5.12 (i) Where, in addition to the minimum entry qualifications required, the employees concerned are specifically encouraged to obtain higher or different qualifications

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so that they can carry out functions which cannot be undertaken by those who only posses the minimum entry qualifications required, will be eligible for the payment of a Specialist Allowance. Care should be taken to ensure that the allowance would only be payable where the specialization required is not only desirable or useful but also would be basic to the performance of the specialised service concerned. In all areas where the higher or different qualifications are only desirable or useful, the employees concerned should be rewarded by way of rapid promotion and not by the payment of Specialist Allowance.

(ii) Specialist Allowance will be equal to a sum not excedding two increments based on the relevant incremental credit on the substantive clean wage scale of the employee concerned where the training period required for acquiring the specialist qualification concerned is equal to or more than one academic year. Where the training period is less than one academic year, the allowance will be proportionately reduced.

(iii) If an employee who is in a scheme of service which does not carry any technological or scientific bias, but possesses qualifications, which are technological or scientific in character, and which qualify him for the receipt of a Specialist Allowance, such allowance shall be increased by a sum equal to two increments, subject to the resulting total allowances not exceeding the sum of four increments.

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(iv) In all cases where as a result of the new method of calculating Specialist Allowance, set out in sub-paragraphs (ii) & (iii), the present all-in salary of an employee, i.e. the present clean wage plus the present Specialist Allowance is higher than the new all-in salary i.e. the new clean wage on conversion plus the new allowance, based on the new method of calculation, the employee concerned may receive the difference on a personal to holder basis until such time as the new all-in salary becomes equal to or more than the present all-in salary.

(v) Where an employee is at present in receipt of a pensionable allowance, the new allowance calculated on the basis set out in sub-paragraphs (ii) & (iii) above will continue to remain pensionable but on a personal to holder basis.

Medical Specialist Allowance

5.13 Medical Officers who are designated as Specialist and Clinical Teachers who are designated as Clinical Specialist will be eligible for the payment of Specialist Allowance equal to the sum of two increments.

Diploma Allowance

5.14 Medical Officers, Dental Officers and Veterinary Surgeons who possess the following Diplomas and perform duties which are part of the general health service will be eligible for the payment of an allowance equal to one increment :

(a) Diploma in Public Health

(b) Diploma in Dental Health

(c) Diploma in Veterinary Public Health

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Stenographer Allowance

5.15 A Stenographer will be eligible to draw an allowance equal to one increment for possessing any of the speeds set out below, subject to a maximum of an allowance equal to the sum of two increments :

Bahasa Malaysia	English Language
100 w.p.m.	80 w.p.m.
	100 w.p.m.

Driving Allowance

5.16 Driving allowance payable to employees who are not full-time drivers is hereby abolished and henceforth full-time drivers shall be employed to drive and maintain departmental vehicles. Pending the recruitment of such drivers, employees who are required to drive departmental vehicles will be eligible for an allowance equal to the sum of 1¾ increments.

Aviation Allowance

5.17 Technical Assistants and Technicians in the Survey Department who are required to undertake aerial survey work will be eligible for an Aviation Allowance equal to one increment.

Trig Observation Allowance

5.18 Technical Assistants and Technicians in the Survey Departments who are required to undertake Trig Observation work will be eligible for a Trig Observation Allowance equal to one increment.

Scuba Diving Allowance

5.19 Scuba Divers in the Fisheries Department will be eligible for an allowance equal to the sum of 1¼ increments.

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Mobile Post Office Allowance

5.20 The Mobile Post Office Allowance is hereby abolished and henceforth full-time drivers shall be employed to drive and maintain departmental vehicles. Pending the recruitment of such drivers, Postal Clerks who are required to drive Mobile Post Office Vans will be eligible for an allowance equal to the sum of 1¼ increments.

Trade Allowance - Armed Forces

5.21 The provisions regarding the payment of Trade Allowance will continue but at the rates set out below :

(a) B Trade

Class I	-	1¾ increments
Class II	-	1½ increments
Class III	-	1¼ increments
Class IV	-	1 increment

(b) A Trade

Class I	-	2¾ increments
Class II	-	2½ increments
Class III	-	2¼ increments

(c) X Trade

X 1	-	3¼ increments
X 2	-	3 increments
X 3	-	2¾ increments

(d) Technician

A	-	3 increments
X	-	3¼ increments

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Star Classification Allowance

5.22 The payment of an allowance based on the Star Classification System to Non-Tradesman Other Ranks of the rank of Corporal and below in the Armed Forces will be at the following rates :

3 stars	-	1 increment
2 stars	-	¾ increment
1 star	-	½ increment

Technical Allowance

5.23 The existing provisions concerning the payment of Technical Allowance to Officers in the Armed Forces will continue but at the following rates :

(i) Non recogned courses	-	1 increment
(ii) Recognised courses	-	3 increment

Flying Training Allowance

5.24 Officers in the Royal Malaysiah Air Force undergoing flying training will be eligible for a Flying Training Allowance equal to two increments.

Flying Allowance

5.25 Officers in the Royal Malaysian Air Force will be eligible for a Flying Allowance at a rate equal to four increments.

Commando Allowance

5.26 Armed Forces personnel who are serving in the Commando Unit will be eligible for a Commando Allowance at a rate equal to four increments.

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Diving Allowance

5.27 Naval personnel and Police personnel serving in the Marine Unit will be eligible for Diving Allowance at the following rates :

(i) Ship's Diver - 1 increment

(ii) Salvage Diver - 1¼ increments

(iii) Clearance Diver - 1½ increments

(iv) Explosive Ordinance Diver - 1¾ increments

(v) Mine Clearance Diver - 1¾ increments

Trade Allowance - Police

5.28 The existing provisions regarding the payment of Trade Allowance to Police personnel will continue but based on the following rates :

(a) (i) Motor Transport Artisan will be eligible for and allowance at the following rates :

Special Grade	-	3 increments
Class I	-	2¾ increments
Class II	-	2½ increments
Class III	-	2¼ increments
Inprevers	-	2 increments

(ii) Police personnel of the rank of Inspectors and above in the Transport Unit who have acquired an approved professional qualification will be eligible for an allowance equal to the sum of four increments.

(b) (i) Marine Artisan will be eligible for an allowance at the following rates :

Special Grade	-	3 increments
Class I	-	2¾ increments
Class II	-	2½ increments

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Class III - 2¼ increments

Improvers

Outboard Engine Driver)
Engineman of 'Jaya' Class Launch) - 2 increments

(ii) Police personnel of the rank of Inspectors and above in the Marine Unit and Commanders of Marine Boats who have required an approved professional qualifications will be eligible for an allowance equal to the sum of four increments.

(c) (i) Armourers will be eligible for an allowance at the following rates :

Class I - 2¾ increments

Class II - 2½ increments

Class III - 2¼ increments

Mate - 2 increments

(ii) Police personnel of the rank of Inspectors and above in the Armament Unit who have acquired approved professional qualification will be eligible for an allowance equal to the sum of four increments.

(d) (i) Signallers will be eligible for an allowance at the following rates :

Class I - 2½ increments

Class II - 2¼ increments

Class III - 2 increments

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(ii) Police personnel of the rank of Inspectors and above in the Signals Units who have acquired an approved professional qualification will be eligible for an allowance equal to the sum of four increments.

(e) Sea-going Personnel will be eligible for an allowance at the following rates :

Master (Local Trade)	-	2½ increments
Gunner	-	2¼ increments
Helmsman	-	2 increments
Engine Driver Class I	-	2½ increments
Engine Driver Class II	-	2¼ increment
Engine Driver Class III	-	2 increments

(f) (i) A Bandsman or Musician will be eligible for an allowance at the following rates :

Grade I	-	3 increments
Grade II	-	2¾ increments
Grade III	-	2½ increments
Grade IV	-	2¼ increments
Buglers	-	2 increments

(ii) Police personnel of the rank of Inspectors and above in the Bands Unit who have acquired an approved professional qualification will be eligible for an allowance equal to the sum of four increments.

(g) Motor Transport Drivers will be eligible for an allowance equal to the sum of 1¾ increments.

Instructors Allowance

5.29 Police Rank and File who are eligible to draw Instructors Allowance will continue to do so but at a rate equal to one increment.

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Language Allowance - Police

5.30 The existing provisions regarding the payment of Language Allowance to Police personnel will continue but at the following rates :

Spoken	-	½ increment
Written	-	1 increment

Operational Allowance - Police

5.31 The existing provisions regarding the payment of Operational Allowance to Police personnel will continue but at a rate equal to one increment.

F.R.U. Allowance

5.32 Police personnel who are serving in the Federal Reserve Unit will be eligible for an allowance equal to one increment.

Shunting Staff Bonus

5.33 The bonus payable to Shunting Staff for the careful handling of rolling stock, the correct working of points, and for general good conduct and ability is hereby abolished.

Tower Allowance

5.34 Public employees who are eligible to draw Tower Allowance shall continue to do so but at a rate equal to one increment.

Medical Staff Allowance

5.35 The following categories of Medical Staff will be eligible for an allowance as set out below :

(a) General Hospital

Radiographers will be eligible for an allowance equal to one increment.

...352/-

(b) Snake Research Centre

Hospital Assistants and Hospital Attendants will be eligible for an allowance equal to one increment.

(c) Mental Hospital, T.B. Hospital and Leprosy Settlement

All employees will be eligible for an allowance equal to one increment.

Institute of Medical Research

5.36 The allowance payable to Medical Officers not in receipt of Specialist or Diploma Allowance is hereby abolished.

Ketua Engine Allowance

5.37 The allowance payable to Ketua Pemandu Injin in the Light Dues Board of Port Klang is hereby abolished.

5.38 The allowance payable to Pemandu Injin Kedua in the Light Dues Board of Port Klang is hereby abolished.

Cash Allowance

5.39 The Cash Allowance payable to employees in the Light Dues Board of Port Klang is hereby abolished.

Top-Up Allowance

5.40 The Top-Up Allowance payable to all Kadhis who do not possess a University Degree is hereby abolished.

Proficiency Bonus

5.41 The Proficiency Bonus payable to employees in Sabah and Sarawak is hereby abolished.

...353/-

Language Refresher Course Allowance

5.42 The Language Refresher Course Allowance payable to employees in Sabah and Sarawak is hereby abolished.

Language Allowance

5.43 (i) The Language Allowance payable to Interpreters will continue to be paid but at the following rates :

(a) Spoken - ½ increment

(b) Written - 1 increment

(ii) An Interpreter may draw the allowance provided in sub-paragraph (i) subject to a maximum of a sum equal to two increments.

(iii) The Special Language Allowance payable to Interpreters is hereby abolished.

5.44 (i) The existing provisions regarding the payment of Language Allowance to Assistant Chinese Affairs Officers will continue but at the rates shown below :

(a) Spoken - ½ increment

(b) Written - 1 increment

(ii) An Assistant Chinese Affairs Officer may draw the allowance subject to a maximum of a sum equal to two increments.

Grave Digging Allowance

5.45 The Grave Digging Allowance Allowance payable to employees in Local Authorities is hereby abolished.

...354/-

Trench Allowance

5.46 The Trench Allowance payable to employees in Local Authorities is hereby abolished.

Vocational Driving Allowance

5.47 The Vocational Driving Allowance payable to employees in Local Authorities is hereby abolished.

Intake (Coumpound) Allowance

5.48 The Intake (Compound) Allowance payable to employees in Local Authorities is hereby abolished.

Artisan Allowance

5.49 The Artisan Allowance payable to employees in Local Authorities is hereby abolished.

Bitumen/Asphalt Spraying Allowance

5.50 The Bitumen/Asphalt Spraying Allowance payable to employees in Local Authorities is hereby abolished.

Destruction of Hornets' Nest Allowance

5.51 The Destruction of Hornets' Nest Allowance payable to employees in Local Authorities is hereby abolished.

Dirt Allowance

5.52 The Dirt Allowance payable to employees in Local Authorities is hereby abolished.

Drill Allowance

5.53 The Drill Allowance payable to employees in Local Authorities is hereby abolished.

...355/-

ADDITIONAL ALLOWANCE

5.54 (i) An Additional Allowance may be payable in cases where, in addition to the general run of duties, an employee is required to perform functions which normally should be done by another employee either of the same or another service, but for which no post has been created, either for reasons of economy or because the additional duties involved do not merit the creation of a post for a full-time employee.

(ii) An Additional Allowance will be a sum equal to one increment, based on the relevant incremental credit on the substantive clean wage scale of the employee concerned.

(iii) The principles governing the payment of Specialist Allowance as defined in paragraph 5.12 (iv) and (v) of this Circular shall also apply in the case of payment of Additional Allowance.

Stenographer's Allowance

5.55 (i) A Timescale Stenographer who is required to be in charge of a typing pool will be eligible to draw an Additional Allowance.

(ii) A Timescale Stenographer who is required to serve as Personal Assistant will be eligible to draw an Additional Allowance.

Typist's Allowance

5.56 (i) A Timescale Typist who is required to serve as Personal Assistant will be eligible to draw an Additional Allowance.

...356/-

(ii) A Timescale Typist required to be in charge of a typing pool will be eligible to draw an Additional Allowance.

Wakil Pos Allowance

5.57 Employees in Local Authorities who perform duties of a Wakil Pos will be eligible for an Additional Allowance.

Water Pump Allowance

5.58 Labourers in Local Authorities who are required to attend to water pumps will be eligible for an Additional Allowance.

Tablet Instrument Allowance

5.59 Pointsmen who are competent and are required to operate Tablet Instruments at Falim will be eligible for an Additional Allowance.

Fire Officers Allowance

5.60 Fire Control Officers, Drivers of Fire Engine and Team Members of the Sentul Works Voluntary Fire Fighting Brigade will be eligible for an Additional Allowance.

Hardship Allowance

5.61 Warders who are serving in Pulau Jerjak will be eligible for an Additional Allowance.

Post Masters Allowance

5.62 Post Offices should be graded according to duties and responsibilities and employees of the appropriate grade should be appointed as Post Masters. Pending such a regrading exercise, Postal employees who are required to be Officers-in-charge of Post Offices will be eligible for an Additional Allowance.

...357/-

Agency Allowance

5.63 Assistant Superintendents of Posts and Postal employees who are working in the Operational Division of the Postal Services Department will be eligible for an Additional Allowance.

Shorthand and Typing Allowance

5.64 The existing provisions regarding the payment of Shorthand and Typing Allowance to employees other than Stenographers in Sabah and Sarawak are hereby abolished.

Book-keeping and Accountancy Allowance

5.65 The existing provisions regarding the payment of Book-keeping and Accountancy Allowance to public employees in Sabah and Sarawak are hereby abolished.

Machine Operators Allowance

5.66 Machine Operators Allowance is hereby abolished.

Ferry Checking Allowance

5.67 Employees in the Penang Port Commission who are required to check passengers and vehicles on ferries are eligible for an allowance based on the formula set out below :

$$\frac{\text{Additional Allowance}}{30} = \text{Additional Allowance per day}$$

Special Duty Allowance

5.68 Employees in Bernama who are Ketua Biro, Wakil Negeri or Wakil Daerah will be eligible for an Additional Allowance.

Washing Vehicles Allowance

5.69 The Washing Vehicles Allowance payable to employees in Local Authorities is hereby abolished.

...358/-

Commissioners of Oath Allowance

5.70 Interpreters who are gazetted as Commissioners of Oath will be eligible for an Additional Allowance.

Understudy Allowance

5.71 An employee who is selected as an understudy to a consultant in any approved project will be eligible for an Additional Allowance.

Air Crew Allowance

5.72 Other Ranks in the Royal Malaysian Air Force who are required to work on aircraft and ground crews attached to a Flying Squadron will be eligible for an Additional Allowance.

Special Administrative Duties Allowance

5.73 The Special Administrative Duties Allowance payable to employees in Research Institute is hereby abolished.

Vernacular Schools Allowance

5.74 The allowance payable to Assistant Inspectors of Vernacular Schools is hereby abolished.

5.75 The allowance payable to Vernacular Group Teachers is hereby abolished.

5.76 The allowance payable to Visiting Teachers is hereby abolished.

5.77 The allowance payable to Specialist Teachers is hereby abolished.

...359/-

Command Allowance

5.78 Naval Officers and Police Officers in the Marine Unit who are appointed as Commanders of Ships or Boats will be eligible for an Additional Allowance as follows :

$$\frac{\text{Additional Allowance}}{30} = \text{Additional Allowance per day}$$

5.79 Captains and Engine Drivers in Port Authorities who are in command of ferry boats will be eligible for an Additional Allowance.

Dictaphone Allowance

5.80 Typists who are required regularly to transcribe from dictaphones will be eligible for an Additional Allowance.

Electrical Generator Operator's Allowance

5.81 Employees in FELDA Land Schemes who are required to operate generators as extra duty will be eligible for an Additional Allowance.

Make-Shift Accommodation Allowance

5.82 Employees involved in land development schemes who are required to live in make-shift accommodation will be eligible for an Additional Allowance.

Remote Aboriginal Schools

5.83 Teachers serving in remote Aboriginal Schools in Ulu Kelantan will be eligible for an Additional Allowance.

Lance Corporals (Armed Forces)

5.84 Serving Lance Corporals and Privates appointed as Lance Corporals will be eligible for an Additional Allowance.

...360/-

MISCELLANEOUS ALLOWANCES

East-West Highway Project

5.85 The Special Allowance payable to employees involved in the East/West and Kuantan/Segamat Highway Projects will continue at the following rates :

Category of Employees	Rates per month	
	Grik/Jeli/Bukit Ibam	Gelang Cincin
(a) Jurutera Penguasa	$850/-	$640/-
(b) Division One	40% of clean wage subject to minimum of $500/-	30% of clean wage subject to minimum of $375/-
(c) Division Two	50% of clean wage subject to minimum of $350/-	40% of clean wage subject to minimum of $265/-
(d) Division Three	52% of clean wage subject of minimum of $225/-	39% of clean wage subject to minimum of $170/-
(e) Division Four	60% of clean wage subject to minimum of $125/-	45% of clean wage subject to minimum of $95/-

Doyen's Allowance

5.86 The provisions regarding the payment of Doyen's Allowance as provided in Confidential 835 issued by Wisma Putra will continue to apply.

Batman And Orderlies

5.87 Armed Forces and Police Force personnel will be eligible for the services of Batmen or Orderlies as the case may be as set out below :

Rank	Eligibility
Inspector-General and Chief of the Armed Forces Staff	- 3 Batmen
Deputy Inspector-General and Service Chief	- 2 Batmen

...361/-

Rank	Eligibility
Senior Assistant Commissioner and above and Brigadier General and above	- 1 Batman
Brigade/Garrison/Battalion Commander	- 1 Batman

Clerical Allowance

5.88 The existing provisions regarding the payment of Clerical Allowance to part-time Clerks is hereby abolished. The schools concerned should be provided with full-time Clerical Assistants to attend to clerical work. Pending the recruitment of Clerical Assistants, part-time Clerks will be paid the minimum wage of a Clerical Assistant on the condition: that they will work full-time. They should be eligible for annual increments.

...362/-

SECTION VI: VOLUNTEERS AND PART-TIME OR CASUAL EMPLOYEES

VOLUNTEERS

Attendance Allowance

6.1 Volunteers attending local parades and/or training will be paid an Attendance Allowance based on the regular rates of pay of his counterparts of equivalent rank in the regular service. The hourly rate of pay will be calculated based on the formula set out below :-

$$\frac{\text{Regular Pay}}{30 \times 8} = \text{Hourly Pay}$$

Outfit Allowance

6.2 The Outfit Allowance paid to Volunteers of Officer Rank is hereby abolished. Instead such officers will be supplied with the necessary uniforms.

Transport Allowance

6.3 Volunteers will be eligible for Transport Allowance based on the eligibility of their counterparts in the regular service.

Gratuity

6.4 (i) The Bounty payable to Volunteers is hereby abolished. Instead Volunteers will be eligible for the payment of gratuity at a rate equal to ¼ of a full month regular pay of their counterparts in the regular service provided that they attend :-

(a) 12 hours or more on parades and at annual camp;

...363/-

(b) 240 hours on parade, if the competent authority certifies that for any reason it is not possible for a Volunteer to attend the annual camp.

(ii) The gratuity will be paid proportionately for attendance less than the prescribed hours.

Ration Allowance

6.5 Ration Allowance is hereby abolished. Volunteers who are required to attend training exceeding 8 hours will be issued with free rations.

Pay and Allowance During Annual Camp

6.6 Volunteers who are required to attend annual camp will be paid the regular rates of pay of their counterparts in the regular service of equivalent ranks.

Specialist Grant and Discharge Gratuity

6.7 The existing provisions regarding the payment of Specialist Grant and Discharge Gratuity to Specialist Volunteers will continue to apply at a rate equal to ¼ of a full month regular pay of their counterparts in the regular service.

Diving Allowance

6.8 Volunteers in the Royal Malaysian Navy Volunteer Reserve will be eligible for Diving Allowance as payable to their counterparts in the regular service. The daily rate will be calculated as shown below :-

$$\frac{\text{Monthly Diving Allowance}}{30} = \text{Diving Allowance per day}$$

...364/-

Flying Training Allowance

6.9 (i) Volunteers in the Royal Malaysian Air Force Volunteer Reserve will be eligible for Flying Training Allowance as payable to their counterparts in the regular service. The daily rate will be calculated as shown below :-

$$\frac{\text{Flying Training Allowance}}{30} = \text{Flying Training Allowance per day}$$

(ii) The hourly rate will be equal to the daily rate divided by 8.

Flying Allowance

6.10 (i) Volunteers in the Royal Malaysian Air Force Volunteer Reserve will be eligible for Flying Allowance payable to their counterparts in the regular service. The daily rate will be calculated as shown below :

$$\frac{\text{Flying Allowance}}{30} = \text{Flying Allowance per day}$$

(ii) The hourly rate will be equal to the daily rate divided by 8.

Air Crew Allowance

6.11 (i) Volunteers in the Royal Malaysian Air Force Volunteer Reserve will be eligible for Air Crew Allowance payable to their counterparts in the regular service. The daily rate will be calculated as shown below :-

$$\frac{\text{Air Crew Allowance}}{30} = \text{Air Crew Allowance per day}$$

(ii) The hourly rate will be equal to the daily rate divided by 8.

Trade Allowance

6.12 Volunteers will be eligible for Trade Allowance payable to their counterparts in the regular service. The daily rate will be calculated as shown below :-

$$\frac{\text{Trade Allowance per month}}{30} = \text{Trade Allowance per day}$$

...365/-

Comper.sation For Injuries or Death

6.13 (i) Volunteers who suffer injuries or death whilst undergoing training will be eligible for compensation as provided under the Civil Defence (Personal Injuries) Rules 1970.

(ii) Whilst attending annual camp, Volunteers who are injured or killed will be eligible for the same benefits accorded to their counterparts in the regular servive.

6.14 Volunteers who are mobilised for full time service will be eligible for the same compensations and benefits accorded to their counterparts in the regular service.

Pay For Mobilised Volunteers

6.15 (i) Volunteers who are mobilised on a daily basis will be eligible for daily wage as set out below :

$$\frac{\text{Mid point of relevant counterpart clean wage scale}}{30} = \text{wage per day}$$

(ii) Volunteers who are mobilised on a monthly basis will be eligible for the clean wage payable to their counterparts in the regular service.

CASUAL AND PART-TIME EMPLOYEES

Casual Employees

6.16 Casual employees will be eligible for a daily wage based on the formula as set out below :

$$\frac{\text{Minimum point of relevant counterpart clean wage scale}}{30}$$

...366/-

Part-time Employees

6.17 Part-time employees will be eligible for an allowance based on the formula as set out below :

(i) Universities and Colleges :

$$\frac{\text{Mid point of relevant counterpart clean wage scale}}{80} = \text{Allowance per hour}$$

(ii) Schools :

$$\frac{\text{Mid point of relevant counterpart clean wage scale}}{120} = \text{Allowance per hour}$$

(iii) Other Organisations :

$$\frac{\text{Mid point of relevant counterpart clean wage scale}}{180} = \text{Allowance per hour}$$

...367/-

SECTION VII - SUPERANNUATION

7.1 Public employees who opt for the new clean wage and terms and conditions of service as set out in this Circular shall be classified into two categories for purposes of determining their superannuation benefits, viz :

(a) Permanent and Pensionable; and

(b) Temporary and Non-pensionable.

PERMANENT EMPLOYEES

Pensionable Status

7.2 Subject to paragraph 7.3 of this Circular all employees who are permanent shall be pensionable.

Emplacement on the Pensionable Establishment

7.3 (i) Permanent employees shall be eligible for emplacement on the pensionable establishment on completion of not less than 10 years service.

(ii) All periods of service spent either with Government or with Local and Statutory Authorities shall be taken into account for determining the period of 10 years of service required for purposes of emplacement on the pensionable establishment, subject to paragraph 7.12 of this Circular.

(iii) Employees who have already acquired pensionable status at the time the option provided for in this Circular is made, shall be deemed to have been emplaced on the pensionable establishment.

...368/-

Contributions to Provident Funds

7.4 (i) Subject to sub-paragraph (ii), a public employee shall contribute to the Employees Provident Fund established under the provisions of the Employees Provident Fund Ordinance, 1951 or Statutory or Local Authority Provident Fund as the case may be, at the statutory rate prescribed for that purpose. The employer shall contribute to the Fund concerned at the rate of 10% of the employees monthly clean wage. Contributions to the Fund shall cease with effect from the date an employee is emplaced on the pensionable establishment.

(ii) In the case of the Armed Forces personnel, the contributions made by both the employer and employee shall be to the Armed Forces Provident Fund.

7.5 A public employee who was a contributor to the Employees Provident Fund, any Statutory or Local Authority Provident Fund or to the Armed Forces Provident Fund may choose on retirement :

either (a) to accept the full pension, gratuity or other retirement benefits for which he is eligible as set out in this Circular upon the condition that payment is made to the employer of an amount equivalent to the contributions with interest thereon which the employer made to the Provident Fund concerned on his behalf during any period of reckonable past service;

...369/-

or (b) to forgo that portion of pension gratuity or other retirement benefits that would otherwise have accrued in respect of the period of service during which he was a contributor to the Provident Fund concerned and to retain his full provident fund credits instead, for the said period of service.

Pension Factor

7.6 Public employees who are pensionable shall be eligible for a pension calculated at the rate of 1/450 of the highest pensionable emoluments drawn for each completed month of service subject to a maximum of 2/3 of such pensionable emoluments.

Lump-Sum Gratuity

7.7 At the time of retirement, an employee shall be granted the option of receiving full pension or a reduced pension at the rate of ¾ of full pension and a lump-sum gratuity calculated at the rate of ¼ the annual full pension multiplied by the factor of 12.5.

Extra Gratuity

7.8 Public employees who are pensionable shall be eligible for an extra gratuity calculated at the rate of 5% of the highest pensionable emoluments drawn for each completed month of service exceeding 300 months. This extra gratuity shall be paid to employees together with the lump-sum gratuity referred to in paragraph 7.7 of this Circular.

Restoration of Full Pension

7.9 If at the time of retirement an employee opts for reduced pension and lump-sum gratuity and survives 12½ years after the date of his retirement, his full pension shall be restored at the expiry of the 12½ years from the date of his retirement.

...370/-

Ancillary Benefits

7.10 All ancillary superannuation benefits, whose calculations are based on the pension factor shall be restored to the position they were in prior to the implementation of the factor of 1/800, subject to any further modifications that may be necessary consequent upon the reduction in the period required for maximization of pensions from 400 to 300 months.

Death-in-harness Benefits

7.11 Where an employee, who is permanent, dies whilst in service prior to completing a period of 10 years of service, his widow, widow and minor children or minor children and, if there are no dependants, his legal representatives shall be eligible for a derivative gratuity that would have been payable had the employee retired on medical grounds at the date of his death or for the employer's share of contribution to the Provident Fund concerned, together with all interest that would have accrued thereon, whichever being the greater. In either case his dependants or legal representatives, as the case may be, shall also be eligible to draw his own contributions together with all interest thereon.

Family Pensions Scheme

7.12 (i) Where an employee, who is pensionable dies whilst in service, after having completed a period of not less than 10 years of service, his widow, widow and minor children or minor children of the employee shall be eligible for a derivative pension of an amount equal to the pension that would have been payable, had the employee retired on medical grounds at the date of his death, for a period not exceeding 12½ years effective from the date immediately following the date of death of the employee.

...371/-

(ii) The derivative pension payable under sub-paragraph (i) shall cease to be paid if the employee's widow remarries. However, should the employee's widow remarry before the last of the employee's children reaches the age of 18 years, the derivative pension shall continue to be paid until the last of the children reaches the age of 18 years or until the end of the 12½ years, whichever is the earlier.

(iii) The dependants of the employee shall also be eligible to receive the extra gratuity payable to the employee in the event that he had more than 300 months of service to his credit at the time of his death.

(iv) In the event that there are no dependants, his legal representatives shall be eligible for a derivative gratuity that would have been payable had the employee retired on medical grounds at the date of his death or the employer's share of contribution to the Provident Fund concerned together with interest thereon, whichever being the greater. They shall also be eligible for any extra gratuity that would be payable.

7.13 (i) The widow or widow and minor children or minor children of an employee, who is in receipt of a pension and dies within a period of 12½ years from the date of his retirement, shall be eligible for a derivative pension of an amount equal to the pension payable to the employee for the remaining period of the 12½ years calculated with effect from the date of retirement of the employee.

...372/-

(ii) The derivative pension paid under sub-paragraph (i) shall be subject to the same conditions stipulated in paragraph 7.12 (ii) of this Circular.

Reckonable Past Service

7.14 (i) Subject to sub-paragraph (ii) and (iii) of this paragraph, public employees who are pensionable shall be eligible to have all their periods of past service spent either in Government or in Local and Statutory Authorities reckoned as periods of service for pension purposes.

(ii) The period of service set out below shall not be taken into account :

(a) Any period of training for which only allowances were paid;

(b) Any past service broken as a result of voluntary resignation not due to a break in service imposed on temporaries who were made permanent, or by employees who got married, or by women employees following their husbands sent abroad on duty or on study courses or Government employees joining the Unified Teaching Service;

(c) Any past service broken as a result of termination of service on disciplinary grounds by dismissal; and

(d) Any past service with the Government or Statutory and Local Authorities which has been superannuated.

(iii) No distinction shall be made between temporary and permanent service.

...373/-

TEMPORARY EMPLOYEES

7.15 (i) All temporary employees who convert to the new salaries and terms and conditions of service set out in this Circular will be liable to contribute to the Provident Fund concerned at the statutory rate prescribed for that purpose. The employer shall contribute at the rate of 10% of the employee's monthly clean wage.

(ii) On retirement a temporary employee shall be eligible for his own share of contributions plus interent thereon in the form of Provident Fund credits. The employer's share of contributions to the Provident Fund concerned with interest thereon shall be converted into an annuity which shall be guaranteed for a minimum period of 12½ years from the date of retirement.

(iii) If the temporary employee should die before the minimum guaranteed period of 12½ years has lapsed, his dependants shall receive his annuity due to him for the remaining period of the 12½ years. However, if the temporary employee should survive the minimum guaranteed period of 12½ years he shall continue to draw the annuity paid to him for life.

7.16 All temporary employees who leave the country on a permanent basis shall not be eligible for any annuity. In all such cases, they shall be eligible only for their Provident Fund credits plus interest thereon in accordance with the provisions of the Employees Provident Fund Ordinance, 1951.

...374/-

RETIREMENT AGE

Compulsory Retirement Age

7.17 (i) Subject to sub-paragraphs (ii) and (iii) the compulsory retirement age for all public employees shall be 55 years .

(ii) The compulsory retirement age for Officers of the rank of Major in the Armed Forces shall be 50 years and for all other personnel of the rank of Captain and below including Other Ranks, shall be 45 years.

(iii) The compulsory retirement age for Judges shall be 65 years.

(iv) In cases where it is found expedient to retain the services of certain employees beyond the compulsory retirement age, the employees concerned shall nevertheless be first retired on reaching such age and then re-employed on a temporary basis. Such re-employment shall be subject to an annual medical examination.

Optional Retirement Age

7.18 (i) Subject to sub-paragraphs (ii) and (iii) the optional retirement age for public employees shall be 50 years.

(ii) The optional retirement age for women employees shall be 45 years.

(iii) The optional retirement age for Officers of the rank of Major and below in the Armed Forces shall be 40 years.

...375/-

CONTRACT GRATUITIES

7.19 (i) Short service commission personnel in the Armed Forces shall be eligible for a gratuity at a rate of 17.5% of their clean wage for each completed month of service.

(ii) The existing provision concerning the payment of gratuity to Officers and Other Ranks of the Armed Forces shall continue in force but the rate of gratuity payable shall be 17.5% of clean wage for each completed month of service.

7.20 All employees on contract will be eligible for a gratuity calculated at the rate of 17.5% of clean wage for each completed month of service.

REVISION OF PENSIONS

7.21 (i) Subject to sub-paragraphs (ii) and (iii), the highest drawn pensionable emoluments on which pensions are currently payable in respect of employees who retired on or after 1st September, 1963, shall be revised each time the clean wage scale from which the highest drawn pensionable emoluments are derived is revised effective from the date of such revisions.

(ii) In cases where an employee has been on more than one scale during his career in the public service and in the event that as a result of a revision, the pensionable emolument, he was in receipt from any of these scales, becomes higher than the pensionable emolument on which his current pension is based, his pension shall thereafter, be calculated based on the higher of the pensionable emolument he had been in receipt of.

...376/-

(iii) All revisions of highest drawn pensionable emoluments shall be made on a notional basis from 1st September, 1963 up to 1st August, 1968 in the case of employees in the Subordinate and Manual Group and up to 1st January, 1970 in the case of all other employees in the public sector. The increased pension shall be payable effective from 1st August, 1968 or 1st January, 1970 as the case may be and thereafter effective from the date of the revision of the clean wage scales concerned.

(iv) Each time a revision is made, commuted gratuities shall be recalculated in all cases where the commutation period of 12½ years has not yet expired, and any difference that results for the unexpired period shall be paid to the employee concerned.

(v) Arrears of pensions and gratuities in respect of pensioners who died on or after 1st August, 1968 in the case of employees in the Subordinate and Manual Group and on or after 1st January, 1970 in the case of all other employees in the public sector will be payable to the estates of the employees concerned.

(vi) The phrase "clean wage" used in this paragraph, shall be deemed to mean "basic salary" where the scale in question refers to one which existed prior to 1st August, 1968 in the case of employees in the Subordinate and Manual Group or their equivalents and prior to 1st January, 1970 in all other cases.

...377/-

7.22 (i) In respect of employees who retired prior to 1st September, 1963, their pensions shall be revised each time a general revision of clean wages takes place, effective from 1st January, 1975.

(ii) In consequence of the current general revision of clean wages that would take place as a result of the issue of this Circular, the pensions of pensioners who retired prior to 1st September, 1963 shall be increased by 10%, effective from 1st January, 1975.

GENERAL

7.23 All existing provisions concerning superannuation benefits which are not modified or otherwise affected by this Circular, shall continue to remain in force.

...378/-

SECTION VIII : MISCELLANEOUS

OPTIONS

8.1 All serving public employees who are on existing clean wage scales shall be given the option of either :

(a) remaining on the present clean wage scale and the existing terms and conditions of service; or

(b) accepting conversion to the appropriate clean wage scale including personal to holder scales wherever applicable in accordance with Annexure I and the terms and conditions of service as set out in this Service Circular.

8.2 Serving public employees who are not on existing clean wage scales may also be granted option to accept the new clean wage scales and terms and conditions of service as set out in this Circular, but all such cases shall be referred to the Public Services Department for direction as to how the option should be granted.

8.3 The option provided for in paragraph 8.1 of this Circular shall also be granted to permanent public employees who were on the clean wage and who retired after 1st January, 1975.

8.4 Serving public employees who elect not to accept the new clean wage scales and terms and conditions of service shall continue to be bound by their existing clean wage and terms and conditions of service. However such employees, if promoted to higher grades, shall be deemed to have accepted the new clean wage and terms and conditions of service.

...379/-

Option Procedures

8.5 Option into the new clean wage and terms and conditions of service shall be offered by the Appropriate Authority, i.e. the Head of Department in the case of Government employees and the respective Management in the case of Statutory and Local Authorities employees.

8.6 (i) The Head of Department and Management of Statutory and Local Authorities shall make the offer of option to every eligible employee using the offer form in Annexure III. The offer form shall be signed in triplicate under the hand of the Head of Department or the Management as the case may be who shall be responsible for the accuracy of the particulars to be filled therein.

(ii) The original copy of the completed offer form together with two copies of the option form in Annexure III shall be supplied to every employee concerned.

(iii) The employee concerned shall complete the option form in duplicate and return it to the Head of Department or Management as the case may be within the period of option specified in paragraph 8.8 of this Circular. The original copy of the completed option form shall be enclosed in the employee's personal file by the Head of Department or Management as the case may be. The option so exercised by an employee shall be irrevocable.

...380/-

(iv) The Head of Department or the Management as the case may be shall send the duplicate copy of the option form together with a copy of the offer form to the Public Services Department.

(v) After an employee has submitted his option form, the Head of Department or the Management as the case may be shall enter in the employee's Record of Service, the date and nature of the option so exercised by the employee.

8.7 The option offered to an employee shall be based on particulars such as clean wage and specific allowances which are included for purposes of conversion as on the applicable date specified in the offer form. Should there be an error in such particulars resulting in a wrong offer being made, such an offer shall be deemed to be null and void and a fresh offer shall be made by the Head of Department or Management as the case may be.

Period of Option

8.8 The option granted under the provision of this Circular shall be exercised within a period of three months from the date of issue of this Circular.

8.9 Employees who fail to exercise the option within the period prescribed in paragraph 8.8 of this Circular shall be deemed not to have opted for the new clean wage and terms and conditions of service as set out in this Circular.

EFFECTIVE DATES

8.10 This Circular shall be deemed to have come into force with effect from 1st January 1975 in respect of all public employees.

...381/-

8.11 The payment of any allowance as provided for in this Circular and the cessation of payment of allowance which are abolished under this Circular shall only be effective from the first day of the month following the date on which an employee submits his completed option form, unless otherwise provided for in this Circular.

8.12 An employee, who has or would have obtained an increment between 1.1.75 and the first day of the month following the date on which the employee submits his option form, will be entitled to convert to the step on the relevant new clean wage scale, which corresponds to the step he was on in the existing scale at the time of his option.. If there are any points between the steps relevant for purposes of his conversion to the new clean wage concerned, these shall be deemed not to exist in his case.

GENERAL

Abolitions, Amendments and Modifications

8.13 Steps should be taken to repeal, cancel, amend or modify the relevant laws, circulars, general orders, instructions and schemes of service as the case may be to bring them into conformity with the new clean wage and terms and conditions of service as set out in this Circular.

Payment of Arrears

8.14 Arrears in respect of employees who died or left the service on or after 1st January 1975 will be payable to the estates in the case of the former and to the employees in the case of the latter from their respective effective dates up to the date of death or up to the date of leaving the service, provided that their services were not terminated on disciplinary grounds or as a result of conviction in a

...382/-

criminal court in which case the arrears shall not be payable. Payment of arrears in respect of the employees described in this paragraph shall be made in the same manner as set out in paragraph 2.8 of this Circular in respect of serving employees.

8.15 Pensions, retiring allowances and gratuities approved in respect of the employees mentioned in paragraph 8.14 of this Circular will be recalculated on the basis of the new clean wages.

Responsibility

8.16 The Head of Department or Management as the case may be is responsible to ensure the implementation of the new clean wage and terms and conditions of service as set out in this Circular.

8.17 Should there be any doubt regarding the interpretation of any provision in this Circular clarification should be sought from the Director General, Public Services Department.

To be Issued

Under the hand of the

Appropriate Authority.

...383/-

Annexure II

REVISION OF INCREMENTAL DATES

1. Revised incremental dates for employees who convert from two consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	(a) 1st January, 1974 to 28th February, 1974	1st February, 1975
	(b) 1st March, 1974 to 30th April, 1974	1st March, 1975
	(c) 1st May, 1974 to 30th June, 1974	1st April, 1975
	(d) 1st July, 1974 to 31st August, 1974	1st May, 1975
	(e) 1st September, 1974 to 31st October, 1974	1st June, 1975
	(f) 1st November, 1974 to 31st December, 1974	1st July, 1975
(ii)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 28th February, 1974	1st August, 1975
	(b) 1st March, 1974 to 30th April, 1974	1st September, 1975
	(c) 1st May, 1974 to 30th June, 1974	1st October, 1975
	(d) 1st July, 1974 to 31st August, 1974	1st November, 1975
	(e) 1st September, 1974 to 31st October, 1974	1st December, 1975
	(f) 1st November, 1974 to 31st December, 1974	1st January, 1976

...384/-

Revised incremental dates for employees who convert from three consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	(a) 1st January, 1974 to 31st March, 1974	1st February, 1975
	(b) 1st April, 1974 to 30th June, 1974	1st March, 1975
	(c) 1st July, 1974 to 30th September, 1974	1st April, 1975
	(d) 1st October, 1974 to 31st December, 1974	1st May, 1975
(ii)	Employees reaching second highest step on :	
	(a) 1st January, 1974 to 31st March, 1974	1st June, 1975
	(b) 1st April, 1974 to 30th June, 1974	1st July, 1975
	(c) 1st July, 1974 to 30th September, 1974	1st August, 1975
	(d) 1st October, 1974 to 31st December, 1974	1st September, 1975
(iii)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 31st March, 1974	1st October, 1975
	(b) 1st April, 1974 to 30th June, 1974	1st November, 1975
	(c) 1st July, 1974 to 30th September, 1974	1st December, 1975
	(d) 1st October, 1974 to 31st December, 1974	1st January, 1976

...385/-

3. Revised incremental dates for employees who convert from four conscutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching higher step on :	
	(a) 1st January, 1974 to 30th April, 1974	1st February, 1975
	(b) 1st May, 1974 to 31st August, 1974	1st March, 1975
	(c) 1st September, 1974 to 31st December, 1974	1st April, 1975
(ii)	Employees reaching second highest step on :	
	(a) 1st January, 1974 to 30th April, 1974	1st May, 1975
	(b) 1st May, 1974 to 31st August, 1974	1st June, 1975
	(c) 1st September, 1974 to 31st December, 1974	1st July, 1975
(iii)	Employees reaching third highest step on :	
	(a) 1st January, 1974 to 30th April, 1974	1st August, 1975
	(b) 1st May, 1974 to 31st August, 1974	1st September, 1975
	(c) 1st September, 1974 to 31st December, 1974	1st October, 1975
(iv)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 30th April, 1974	1st November, 1975
	(b) 1st May, 1974 to 31st August, 1974	1st December, 1975
	(c) 1st September, 1974 to 31st December, 1974	1st January, 1976

...386/-

4. Revised incremental dates for employees who convert from five consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st February, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st March, 1975
(ii)	Employees reaching second highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st April, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st May, 1975
(iii)	Employees reaching third highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st June, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st July, 1975
(iv)	Employees reaching fourth highest step on :	
	(a) 1st January, 1974 to 30th April, 1974	1st August, 1975
	(b) 1st May, 1974 to 31st August, 1974	1st September, 1975
	(c) 1st September, 1974 to 31st December, 1974	1st October, 1975
(v)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 30th April, 1974	1st November, 1975
	(b) 1st May, 1974 to 31st August, 1974	1st December, 1975
	(c) 1st September, 1974 to 31st December, 1974	1st January, 1976

...387/-

5. Revised incremental dates for employees who convert from six consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st February, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st March, 1975.
(ii)	Employees reaching second highest step on :	
	(a) 1st February, 1974 to 30th June, 1974	1st April, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st May, 1975
(iii)	Employees reaching third highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st June, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st July, 1975
(iv)	Employees reaching fourth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st August, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st September, 1975
(v)	Employees reaching fifth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st October, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st November, 1975
(vi)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st December, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st January, 1976

...388/-

6. Revised incremental dates for employees who convert from seven consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	1st January, 1974 to 31st December, 1974	1st February, 1975
(ii)	Employees reaching second highest step on :	
	1st January, 1974 to 31st December, 1974	1st March, 1975
(iii)	Employees reaching third highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st April, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st May, 1975
(iv)	Employees reaching fourth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st June, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st July, 1975
(v)	Employees reaching fifth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st August, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st September, 1975
(vi)	Employees reaching sixth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st October, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st November, 1975
(vii)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st December, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st January, 1976

...389/-

7. Revised incremental dates for employees converting from eight consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	1st January, 1974 to 31st December, 1974	1st February, 1975
(ii)	Employees reaching second highest step on :	
	1st January, 1974 to 31st December, 1974	1st March, 1975
(iii)	Employees reaching third highest step on :	
	1st January, 1974 to 31st December, 1974	1st April, 1975
(iv)	Employees reaching fourth highest step on :	
	1st January, 1974 to 31st December, 1974	1st May, 1975
(v)	Employees reaching fifth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st June, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st July, 1975
(vi)	Employees reaching sixth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st August, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st September, 1975
(vii)	Employees reaching seventh highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st October, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st November, 1975
(viii)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st December, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st January, 1976

...390/-

8. Revised incremental dates for employees who convert from nine consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	1st January, 1974 to 31st December, 1974	1st January, 1975
(ii)	Employees reaching second highest step on :	
	1st January, 1974 to 31st December, 1974	1st March, 1975
(iii)	Employees reaching third highest step on :	
	1st January, 1974 to 31st December, 1974	1st April, 1975
(iv)	Employees reaching fourth highest step on :	
	1st January, 1974 to 31st December, 1974	1st May, 1975
(v)	Employees reaching fifth highest step on :	
	1st January, 1974 to 31st December, 1974	1st June, 1975
(vi)	Employees reaching sixth highest step on :	
	1st January, 1974 to 31st December, 1974	1st July, 1975
(vii)	Employees reaching seventh highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st August, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st September, 1975
(viii)	Employees reaching eighth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st October, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st November, 1975
(ix)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st December, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st January, 1975

...391/-

9. Revised incremental dates for employees who convert from ten consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	1st January, 1974 to 31st December, 1974	1st February, 1975
(ii)	Employees reaching second highest step on :	
	1st January, 1974 to 31st December, 1974	1st March, 1975
(iii)	Employees reaching third highest step on :	
	1st January, 1974 to 31st December, 1974	1st April, 1975
(iv)	Employees reaching fourth highest step on :	
	1st January, 1974 to 31st December, 1974	1st May, 1975
(v)	Employees reaching fifth highest step on :	
	1st January, 1974 to 31st December, 1974	1st June, 1975
(vi)	Employees reaching sixth highest step on :	
	1st January, 1974 to 31st December, 1974	1st July, 1975
(vii)	Employees reaching seventh highest step on :	
	1st January, 1974 to 31st December, 1974	1st August, 1975
(viii)	Employees reaching eighth highest step on :	
	1st January, 1974 to 31st December, 1974	1st September, 1975
(ix)	Employees reaching ninth highest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st October, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st November, 1975
(x)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st December, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st January, 1976

...392/-

10. Revised incremental dates for employees who convert from eleven consecutive steps to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	1st January, 1974 to 31st December, 1974	1st February, 1975
(ii)	Employees reaching second highest step on :	
	1st January, 1974 to 31st December, 1974	1st March, 1975
(iii)	Employees reaching third highest step on :	
	1st January, 1974 to 31st December, 1974	1st April, 1975
(iv)	Employees reaching fourth highest step on :	
	1st January, 1974 to 31st December, 1974	1st May, 1975
(v)	Employees reaching fifth highest step on :	
	1st January, 1974 to 31st December, 1974	1st June, 1975
(vi)	Employees reaching sixth highest step on :	
	1st January, 1974 to 31st December, 1974	1st July, 1975
(vii)	Employees reaching seventh highest step on :	
	1st January, 1974 to 31st December, 1974	1st August, 1975
(viii)	Employees reaching eighth highest step on :	
	1st January, 1974 to 31st December, 1974	1st September, 1975
(ix)	Employees reaching ninth highest step on :	
	1st January, 1974 to 31st December, 1974	1st October, 1975
(x)	Employees reaching tenth highest step on :	
	1st January, 1974 to 31st December, 1974	1st November, 1975
(xi)	Employees reaching lowest step on :	
	(a) 1st January, 1974 to 30th June, 1974	1st December, 1975
	(b) 1st July, 1974 to 31st December, 1974	1st January, 1976

...393/-

11. Revised incremental dates for employees who convert from twelve consecutive steps or more to a common step on the new scale with effect from 1st January, 1975.

		Revised incremental date
(i)	Employees reaching highest step on :	
	1st January, 1974 to 31st December, 1974	1st February, 1975
(ii)	Employees reaching second highest step on :	
	1st January, 1974 to 31st December, 1974	1st March, 1975
(iii)	Employees reaching third highest step on :	
	1st January, 1974 to 31st December, 1974	1st April, 1975
(iv)	Employees reaching fourth highest step on :	
	1st January, 1974 to 31st December, 1974	1st May, 1975
(v)	Employees reaching fifth highest step on :	
	1st January, 1974 to 31st December, 1974	1st June, 1975
(vi)	Employees reaching sixth highest step on :	
	1st January, 1974 to 31st December, 1974	1st July, 1975
(vii)	Employees reaching seventh highest step on :	
	1st January, 1974 to 31st December, 1974	1st August, 1975
(viii)	Employees reaching eighth highest step on :	
	1st January, 1974 to 31st December, 1974	1st September, 1975
(ix)	Employees reaching ninth highest step on :	
	1st January, 1974 to 31st December, 1974	1st October, 1975
(x)	Employees reaching tenth highest step on :	
	1st January, 1974 to 31st December, 1974	1st November, 1975
(xi)	Employees reaching eleventh highest step on :	
	1st January, 1974 to 31st December, 1974	1st December, 1975
(xii)	Employees reaching lowest step on :	
	1st January, 1974 to 31st December, 1974	1st January, 1976

...394/-

Annexure III

OFFER AND OPTION FORMS

A. OFFER FORM

Department: .....
(Name of Statutory or Local Authority)

Date: .....

NAME: .....

APPOINTMENT: .....

CONVERSION TO THE NEW CLEAN WAGE AND TERMS
AND CONDITIONS OF SERVICE

In accordance with Service Circular No. ..... of 1975 dated ..... 1975, you are hereby offered conversion of clean wage with effect from ..... as hereunder:

From:

Present Clean Wage $ ..... p.m. (on the clean wage scale).

Special Relief Allowance $ ..... p.m.

50% Housing Allowance $ ..... p.m.

Allowance $ ..... p.m.

To:

(i) New Clean Wage $ ..... p.m. (on the clean wage scale).

or

(IF PERSONAL-TO-HOLDER CLEAN WAGE SCALE IS PROVIDED IN THE CONVERSION TABLE)

To:

(ii) New Clean Wage of $ ..... p.m. (on the personal-to-holder clean wage scale of $ .....)

Your new date of increment is on .....

2. You are requested to complete Form B attached herewith in duplicate and return them within a period of three months from the date of issue of this Service Circular after having made one of the following options:

(i) to retain the present clean wage and terms and conditions of service including superannuation benefits;

(ii) to convert to the new clean wage as offered in paragraph 1 (i) above and the new terms and conditions of service including superannuation benefits as set out in Service Circular No: ..... of 1975;

(IF PERSONAL-TO-HOLDER CLEAN WAGE SCALE IS PROVIDED).

(iii) to convert to the new clean wage as offered in paragraph 1 (ii) above and the new terms and conditions of service including superannuation benefits as set out in Service Circular No: ..... of 1975.

3. If you do not submit your completed option form within the stipulated period, you shall be deemed not to have opted for the new clean wage and terms and conditions of service.

4. Your option once exercised is irrevocable.

5. A copy of the Service Circular No. ..... of 1975 excluding the Conversion Tables is forwarded herewith for your retention

.....

(Head of Department/Management
of Statutory or Local Authority)

...396/-

B. OPTION FORM

SERVICE CIRCULAR NO. ..... OF 1975

.....

.....

.....

(Head of Department/Management of

Statutory or Local Authority).

With reference to your offer dated .....

offering me conversion to the new clean wage scale, I hereby make the following option:

- (i) Accept the present clean wage and terms and conditions of service including superannuation benefits;

or

- (ii) Convert to the new clean wage as in paragraph 1 (i) of your offer and to accept the new terms and conditions of service including superannuation benefits as set out in Service Circular No. ..... of 1975;

or

(IF PERSONAL-TO-HOLDER CLEAN WAGE SCALE IS PROVIDED IN THE CONVERSION TABLE).

- (iii) Convert to the new clean wage on a personal-to-holder basis as in paragraph 1 (ii) of your offer and to accept the new terms and conditions of service including superannuation benefits as set out in Service Circular No. ..... of 1975.

...397/-

2. I fully understand the implications of this option and am fully aware that the exercise of this option is irrevocable.

Signature: .....

Name of Employee: .....

Date: .....

* Delete whichever is not applicable.