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# Insurance scheme benefits all parties

Policy a boon for both workers and employers



**Move in the right direction:** Najib launching the CuepacsCare4U campaign at Menara Miti in Kuala Lumpur. Looking on is Cuepacs president Datuk Azih Muda (third left). — Bernama

**PETALING JAYA:** The Employment Insurance System (EIS), which is designed to help workers and employers cope with a demanding labour market, will start next year.

Prime Minister Datuk Seri Najib Tun Razak announced yesterday that the scheme will benefit around 6.5 million local employees in the private sector.

“EIS is aimed at employees who have lost their jobs. It will be a social safety net meant to provide financial help and assistance for workers in their job search,” he said in a statement.

He said that employees will get temporary financial help and will be assisted in looking for a new job through a job-seeking programme.

The employees, he added, will also be given retraining or additional training to upgrade their skills.

He said that the new policy will be tabled in the June meeting of the Parliament.

The policy is expected to be implemented on Jan 1, 2018 while payment of the benefits will start on Jan 1, 2019, he said.

He added that the scheme will be funded through premiums paid by both employees and employers.

The Social Security Organisation (Socso) will be managing the scheme, he added.

He said that the implementation of the scheme is expected to bring long-term benefits to both employees and employers in the country.

“EIS will add to the efficiency of the labour market (in the country) through a better system of matching supply and demand, and lead to increased productivity and competitiveness of the industries,” he said.

He added that similar schemes in other countries have shown that it can act to stabilise the economy and help sustain economic

activities in a country, especially during times of economic crisis.

Earlier in the day at an event organised by Cuepacs in Kuala Lumpur, Najib said the Government needs new sources of revenue to offset the rising cost of public healthcare.

The Prime Minister pointed out that the Government spends RM22bil each year to fund public healthcare services, which only generate between RM400mil and RM500mil in revenue annually.

The Prime Minister said that part of the revenue collected from GST has proven very useful to help offset the rising cost of providing public healthcare.

“If people ask, when the Government imposes GST, where is the revenue spent, the answer is that part of it is used to provide healthcare services for Malaysians,” he said.

Najib praised Cuepacs for introducing the CuepacsCare4U *takaful* programme, which he said has managed to reduce the financial strain the Government faces in funding public healthcare.

Introduced in 1999, CuepacsCare is a privately-run health *takaful* (Islamic insurance) scheme that allows policyholders, comprising public servants and their family members, to obtain treatment at private specialist hospitals.

To date, more than 130,000 civil servants have signed up for CuepacsCare. The scheme has paid out RM210mil in benefits to its policyholders.

The Prime Minister announced an RM5mil allocation for CuepacsCare that will go to reducing the quantum of any future increase in the policyholders’ monthly premiums.

Watch the video  
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