

Putrajaya faces tough choices with civil service pay revamp
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KUALA LUMPUR, Feb 13 — The Najib administration is facing a massive headache in trying to unwind the new controversial pay scheme that appears to benefit top government officials but leaves the majority of the 1.4 million-strong civil service with a pittance in pay increase that could have adverse effects for the ruling coalition in a general election.

The Malaysian Insider understands that Putrajaya wants to completely overhaul the scheme which only seemed to benefit top civil servants but many of an estimated 2,000 senior civil servants have already signed and consented to the new scheme, which guarantees a pay rise of some RM5,000 a month.

Omar said Cuepacs will table a five-point proposal paper to the special task force reviewing the SBPA. — File pic

Alternatively, the poorly conceived scheme could cost an additional RM2 billion a year if the government wants to put more money into pockets of mid- and lower-level civil servants who did not get a good pay jump. The new Public Service Remuneration Scheme (SBPA) had initially cost the government an extra RM2.6 billion a year.

“The government has a huge headache now as most of the senior civil servants have signed up for a scheme that doesn’t benefit the majority,” a source told The Malaysian Insider.

“Putrajaya has calculated it will cost at least an extra RM2 billion a year if it keeps the scheme and gives more money to the lower rank-and-file officers. That is a lot of money,” he added.

Another source said the pay rise will also have implications for pension payments. “Pensions will rise now for those who have retired and also more later for those still in the service now,” he said.

Prime Minister Datuk Seri Najib Razak had said last month that civil servants should rest easy as the government will resolve the gulf in pay increases under the SPBA with a review panel led by former Public Service Department director-general Tan Sri Ismail Adam. The panel, which also includes Cuepacs, the umbrella labour centre for

government servants, has up to April 16 to conclude its review.

The proposal, which sees the highest pay at RM60,000 a month for the Chief Secretary to the Government while those in lower pay grades would receive an increment as low as RM1.70, has ignited anger and disapproval in the 1.4 million-strong civil service — a key vote bank for the ruling Barisan Nasional (BN) coalition — ahead of a general election that must be called by May 2013.

The Malaysian Insider understands the new pay scheme was drawn up without Cuepacs’ involvement.

It is learnt that under the SBPA, 36 top-tier civil servants in the “Premier Service” category

will earn a basic salary of RM36,000 per month.

Cuepacs deputy president (I) Azih Muda had confirmed the information with The Malaysian Insider, saying the details were stated as such on the official government circular.

Cuepacs had previously demanded the government delay the implementation of the new pay scheme after complaining that it was not consulted on the matter. The opposition has also criticised the government for allowing an unfair income disparity among different segments of the civil service.

Cuepacs president Datuk Omar Osman had said that the umbrella body for public service unions has formed a special action committee that will give input on how to bridge this divide.

He disclosed that it will table a five-point proposal paper to the special task force reviewing the SBPA on February 22.

The five demands are reviewing the principle of salary transfer of government servants on Grade 54 and below, retaining a staff member's seniority in the Malaysian Remuneration Scheme (SSM), reviewing the maximum salary scale, listing government servants who are eligible to get a pay increase of up to 13 per cent, and reviewing the structuring of salary increases of all grades.

The 2012 Budget allocated RM64.1 billion for the wages and pensions of government employees or 28 per cent of the entire Budget, up from RM36.9 billion five years ago.

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