

**PM: Minimum monthly wage is RM900**  
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PUTRAJAYA: The minimum monthly wage for private sector employees in the Peninsular has been set at RM900 and RM800 for those in Sarawak, Sabah and Labuan, said Prime Minister Datuk Seri Najib Tun Razak on Monday.

It covers employees in all economic sectors except those in the domestic service sector, such as maids and gardeners.

It works out to RM4.33 per hour for those in the Peninsular while employees in Sarawak, Sabah and Federal Territory of Labuan are to be paid a minimum of RM3.85 per hour.

Ultimately, there would be only one minimum wage for the country, he said, adding that the minimum wage would be reviewed from time to time in tandem with the country's affordability, productivity and competitiveness.

The much anticipated minimum wage was announced by Najib at a special gathering with several thousands of private sector employees at the Putrajaya International Convention Centre here Monday night.

"This is a special present from the Federal Government to the entire employees of the beloved country," he said to thunderous applause from the audience who had gathered at the convention centre some three hours before the Prime Minister began his speech.

The rates will take effect six months from the date the Minimum Wage Order (Perintah Gaji Minimum) is gazetted.

However, the effective date for small-time employers or micro enterprises is extended by another six months in order to give them the space and opportunity to make preparation so that their businesses would not be affected, he said.

Najib said the 12-month grace period did not cover professional firms such as dental and medical clinics, legal, architecture and consultants.

He said even if they had five employees or less, they were required to implement the minimum wage within six months after the Order was gazetted.

He added that the grace period was sufficient for employers to re-structure salaries and their business operations.

"The Government is providing a flexible implementation mechanism so those who are really unable to implement the minimum wage can appeal for an extension.

"We have also prepared a mechanism where some allowances or fixed cash payments are allowed to be absorbed in the calculation for minimum wage.

"This is to ensure that its implementation does not burden the employers while the employees will not lose," he said.

Najib said while the Government was aware that employees had demanded a minimum wage of between RM1,200 and RM1,500, it could not be implemented.

Upon the recommendation of the National Wage Consultative Council and based on the World Bank study, the minimum wage could not be set too high.

"If it is set beyond the RM900 (basic salary) level, it would affect the economy, labour market and the entry foreign workers.

"Should this happen, industries could not operate accordingly and many would lose their jobs and the Government cannot afford to allow this to happen as it would affect employees welfare and national interest," he said.

After a series of discussions, a consensus' was reached by the Council that the minimum wage be set based on the basic needs of an employee's family, the employer's ability to pay the salary, productivity, the increase in the cost of living and the nation's labour market situation.

The Council forwarded its recommendation and the Government agreed with a minor adjustment, he said.

Najib also explained that the different rate of minimum wage between the Peninsula and Sarawak, Sabah and Labuan was due the variation in wage structures and the noticeable cost of living in those places.

However, the Government hoped that within the next two to three years, the minimum wage for Sabah, Sarawak and Labuan can be streamlined with the one in the Peninsular.

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