UNDERSTAND THE MALAYSIAN EMPLOYMENT ACT 1955: KEY AMENDMENTS & HR COMPLIANCE

Practical HR Compliance, Employee Rights & Workplace Management

1. Programme Overview

The Malaysian Employment Act 1955 has undergone significant amendments that affect the way employers manage working hours, leave entitlements, flexible working arrangements, employee protection, foreign workers, wages and workplace practices.

This practical one-day programme provides participants with a structured understanding of the key changes introduced through the Employment (Amendment) Act 2022 and their implications for employers, HR practitioners, managers and employees.

The programme focuses on translating legislative requirements into practical HR practices, policies, employment contracts, employee handbooks and workplace procedures.

Participants will also examine practical scenarios and case studies to identify potential compliance risks and determine appropriate actions in the workplace.

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2. Course Objectives

By the end of the programme, participants will be able to:

1. Explain the key amendments introduced to the Employment Act 1955.
2. Identify the expanded scope and application of the Employment Act.
3. Understand the implications of the revised working-hour requirements and overtime administration.
4. Apply the requirements relating to Flexible Working Arrangements (FWA).
5. Understand the enhanced maternity, paternity, sick and hospitalisation leave provisions.
6. Recognise workplace discrimination and sexual harassment risks and understand employer responsibilities.
7. Understand the requirements for employing and managing foreign workers.
8. Identify indicators and risks relating to forced labour.
9. Apply the requirements for wage administration, including incomplete-month wage calculations.
10. Understand the implications of the presumption of employment and employer-employee relationships.
11. Identify areas in existing HR policies, employment contracts and employee handbooks that may require review.

12. Develop practical actions to strengthen Employment Act compliance within the organisation.

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3. Target Audience

This programme is suitable for:

- HR Managers and HR Executives
- Human Resource and Administration Personnel
- Business Owners and Directors
- General Managers and Department Heads
- Managers and Supervisors
- Payroll and Compensation Personnel
- Industrial Relations and Employee Relations Personnel
- Compliance and Legal Personnel
- Employers managing foreign workers
- Team Leaders involved in employee management

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4. Training Methodology

The programme adopts a **practical and interactive learning approach**, combining:

- Interactive lectures
- Facilitator-led discussions
- Practical HR examples
- Case studies
- Workplace scenarios
- Group discussions
- Q&A sessions
- Calculation exercises
- Policy and procedure review
- Compliance risk identification
- MCQs / knowledge checks
- Practical action planning

Learning Approach

Understand → Discuss → Apply → Review

Participants will be encouraged to relate the requirements to their own workplace practices and identify areas requiring improvement.

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5. Course Content

Day 1 / Time	Description
9.00 – 11.00am	**Module 1:** ● Overview of the Employment Act 1955 (EA 1955) and the rationale for the 2022 amendments. ● Effective date of the amendments (1 January 2023). ● Importance of understanding the changes for compliance and good employment practices. ● Key Change: Application of the EA 1955 to all employees regardless of wages, with certain exceptions for specific provisions (e.g., overtime calculation, termination benefits for those earning above RM4,000). ● Implications: How this changes the landscape for previously "uncovered" employees. ● Presumption of Employment (Section 101C): ● Understanding the criteria for presuming an employer-employee relationship in the absence of a written contract (e.g., control over work, provision of tools, integral part of business, regular payments). ● Impact on "gig workers" and other non-traditional employment arrangements. **Module 2:** ● Working Hours and Flexible Work Arrangements. ● Reduction in Maximum Weekly Working Hours. ● Key Change: From 48 hours to 45 hours per week (Section 60A(1)(d)). ● Implications for existing employment contracts and calculation of overtime.

	• Understanding the rules for daily working hours, spread-over period, and rest days. • Flexible Working Arrangements (FWA). • Key Change: Employees' right to apply for FWA (Part XIIC, Sections 60P and 60Q). • Scope of FWA: Varying hours of work, days of work, or place of work (e.g., remote work, staggered hours, compressed workweek). • Employer's obligations: Responding to FWA applications in writing within 60 days, providing reasons for rejection.
11.00 – 11.15am	Tea Break
11.15 -2.00 pm	**Module 3:** • Leave Entitlements and Protection Against Discrimination. • Enhanced Maternity and Paternity Leave. • Maternity Leave: • Key Change: Extension from 60 days to 98 days (Section 37). • Eligibility criteria and restrictions (e.g., maximum confinements). • Protection for Pregnant Employees (Section 41A): Prohibition against termination during pregnancy, except for specific grounds (wilful breach of contract, misconduct, business closure). • Onus of proof on employer for termination. • Paternity Leave: • Key Change: Introduction of 7 days paid paternity leave (Section 60FA). • Eligibility criteria: Married male employee, 12 months employment, notification to employer, maximum 5 confinements. • Sick Leave and Hospitalisation Leave. • Key Change: Separation of sick leave and hospitalisation leave entitlements (Section 60F). • Understanding the revised entitlements based on length of service.

3.00pm -5pm	• Implications for employee benefits and HR administration. • Prohibition of Discrimination and Sexual Harassment. • Discrimination in Employment (Section 69F): Director General's power to inquire into and decide disputes relating to discrimination. • Sexual Harassment (Section 81H): • Key Change: Employer's obligation to display a notice raising awareness on sexual harassment at the workplace. • Increased penalties for failing to investigate sexual harassment complaints. • Brief overview of employer's responsibilities in preventing and addressing sexual harassment. • Case Studies **Module 4:** • Foreign Workers, Forced Labour, and Wage Administration. • Employment of Foreign Workers. • Key Change: Requirement for prior approval from the Director General of Labour before employing foreign workers (Section 60K). • Penalties for non-compliance. • Notification requirements for termination, abscondment, or repatriation of foreign employees. • Prohibition of Forced Labour. • Key Change: New offence for employers who coerce, deceive, or threaten employees into performing work and restrict their movement (Section 60Q). • Understanding indicators of forced labor (e.g., retention of identity documents, abusive conditions, excessive overtime). • Penalties for forced labor offenses. • Wage Administration and Other Amendments. • Calculation of Wages for Incomplete Month (Section 18A): Understanding the new formula.

	• Payment of Wages through Financial Institutions (Section 25): Default method of payment, with exceptions requiring DG's permission. • Increased Penalties: Overview of higher fines for various offenses under the EA 1955. • Q&A , MCQs and Case Study discussion. • Addressing lingering questions and discussing practical challenges in implementation. • Reinforcing the importance of reviewing and updating employment contracts, policies, and employee handbooks.