

A BILL

intituled

An Act to amend the Employees' Social Security Act 1969.

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BE IT ENACTED by the Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

1. (1) This Act may be cited as the Employees' Social Security (Amendment) Act 1991. Short title and comment.

(2) Subject to subsections (3), (4), (5) and (6) this Act shall come into force on such date as the Minister may, by notification in the *Gazette*, appoint and the Minister may appoint different dates for the coming into force of different provisions of this Act.

(3) Section 16(a) shall be deemed to have come into force on the 1st January 1985.

(4) Section 18(a) shall be deemed to have come into force on the 1st October 1971.

(5) Sections 26 (in so far as it refers to sections 59v and 59w), 30(b) and 31 shall be deemed to have come into force on the 1st July 1985.

(6) Section 41 shall be deemed to have come into force on the 1st July 1987.

2. The long title to the Employees' Social Security Act 1969, which in this Act is referred to as "the principal Act", is amended by substituting for the words "certain benefits to employees in case of invalidity and employment injury including occupational diseases" the words "social security in certain contingencies". Amendment of long title Aa 4.

Amendment
of section 2.

3. Section 2 of the principal Act is amended—

(a) by substituting for paragraph (b) of subsection (3) the following:

"(b) if wholly or partly dependent on the earnings of the insured person at the time of his death—

- (i) a daughter, if married and a minor, or if widowed and a minor;
- (ii) a minor brother or an unmarried sister or a widowed sister if a minor;
- (iii) a widowed daughter-in-law;
- (iv) a minor child of a pre-deceased son;
- (v) a minor child of a pre-deceased daughter where no father of the child is alive;
- (vi) a parent other than a widowed mother; or
- (vii) a grandparent if no parent of the insured person is alive:";

(b) by deleting paragraph (c) of subsection (3); and

(c) by inserting, immediately after subsection (6), the following new subsection (6A):

"(6A) "Fund" means the Social Security Fund established under section 68;".

Amendment
of section 3.

4. Section 3 of the principal Act is amended—

(a) in subsection (1)—

(i) by substituting for the words "other than industries employing less than five persons:" the words "having one or more employees."; and

(ii) by deleting the proviso; and

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- (b) in subsection (2), by substituting for the words "persons" and "person" the words "employees" and "employee" respectively.

5. Section 6 of the principal Act is amended—

Amendment
of section 6.

- (a) by substituting for subsection (2) the following:

"(2) The contributions shall fall into the following two categories, namely:

(a) the contributions of the first category, being the contributions payable by or on behalf of the employees insured against the contingencies of invalidity and employment injury; and

(b) the contributions of the second category, being the contributions payable by or on behalf of employees insured only against the contingency of employment injury.";

- (b) in subsection (4)—

(i) by substituting for the words "and second categories" the word "category"; and

(ii) by substituting for the words "Parts I and II" the words "Part I"; and

- (c) by substituting for the word "third" in subsection (5) the word "second".

6. Section 9A of the principal Act is amended—

Amendment
of section 9A.

- (a) by deleting the word "insurable" wherever it appears therein; and

(b) by inserting, immediately after the word "recover" in the proviso, the words "from the wages payable notwithstanding the proviso to subsection (2) of section 7".

New section 9B. 7. The principal Act is amended by inserting, immediately after section 9A, the following new section 9e:

"Validation 9s. Any contribution collected by the contribution Organisation for an employee who was not collected, registered for purposes of insurance under this Act for any period prior to the 1st July 1987 is hereby validated and declared to have been lawfully collected."

Amendment of section 12. 8. Section 12 of the principal Act is amended by substituting for the words "local limits" in subsection (1) the words "area or areas".

Amendment of section 13. 9. Section 13 of the principal Act is amended by inserting, immediately after subsection (2), the following new subsection (3):

"(3) Any order made under this section shall be served either personally or by registered post."

Amendment of section 15. 10. Section 15 of the principal Act is amended by deleting the words ", as are entitled to compensation under this Act" in paragraph (c).

Amendment of section 17. 11. Section 17 of the principal Act is amended—

(a) in subsection (2)—

- (i) by substituting for the words "thirty-six" in paragraph (i) the words "twenty-four";
- (ii) by substituting for the word "sixty" in paragraph (i) the word "forty"; and
- (iii) by substituting for the words "thirty-six" in paragraph (ii) the words "twenty-four"; and

(b) in subsection (3), by substituting for the words "thirty-six" the words "twenty-four".

12. Section 17A of the principal Act is amended— Amendment of section 17A.

(a) in subsection (2)—

- (i) by substituting for the words "thirty-six" in paragraph (a) the words "twenty-four";
- (ii) by substituting for the word "sixty" in paragraph (a) the word "forty"; and
- (iii) by substituting for the words "thirty-six" in paragraph (b) the words "twenty-four"; and

(b) in subsection (3), by substituting for the words "thirty-six" the words "twenty-four".

13. The principal Act is amended by deleting section 18. Deletion of section 18.

14. The principal Act is amended by substituting for section 19 the following: Substitution of section 19.

"Payment of invalidity pension. 19. (1) Invalidity pension shall accrue from the day in which the insured person gives notice of invalidity in accordance with the regulations and shall cease on the day following the day in which invalidity ceases or the day the pensioner dies.

(2) For the purpose of this section, the daily rate of invalidity pension shall be the amount of the monthly rate of invalidity pension paid or payable to the insured person, divided by the number of days in the month in which the pension accrues or the invalidity ceases or the pensioner dies."

15. Section 20 of the principal Act is amended— Amendment of section 20.

(a) in paragraph (a) of subsection (1), by substituting for the words "thirty-six" the words "twenty-four"; and

(b) in subsection (2)—

- (i) by substituting for the words "thirty-six" in paragraph (a) the words "twenty-four"; and
- (ii) by substituting for the proviso to paragraph (a) the following:

"Provided that a minimum average monthly wage shall be three hundred and forty-two ringgit and eighty-six sen subject to such amount as may be prescribed by the Minister from time to time by regulations."

Amendment
of section
20A.

16. Section 20A of the principal Act is amended in subsection (2)—

- (a) by inserting, immediately after the words "payable to the", the words "widowed mother and"; and
- (b) by substituting for the words ' subparagraphs (b) and (c) of the definition of "dependent" ' the words 'paragraph (b) of the definition of "dependant" '.

Substitution
of section 24.

17. The principal Act is amended by substituting for section 24 the following:

"Accidents
while
travelling.

24. (1) An accident happening to an insured person shall be deemed to arise out of and in the course of his employment if the accident happens while the insured person—

- (a) is travelling on a route between his place of residence or stay and his place of work;
- (b) is travelling on a journey made for any reason which is directly connected to his employment; or

(c) is travelling on a journey between his place of work and the place where he takes his meal during any authorised recess.

(2) If the accident under subsection (1) occurs during any interruption of, or deviation from, the insured person's journey made for any of the purposes stipulated in the same subsection, the accident shall not be deemed to arise out of and in the course of his employment."

18. Section 26 of the principal Act is amended in subsection (2)— Amendment of section 26.

- (a) by inserting, immediately after the words "payable to the", the words "widowed mother and"; and
- (b) by substituting for the words "paragraphs (b) and (c)" the words "paragraph (b)".

19. Section 29 of the principal Act is amended— Amendment of section 29.

- (a) in subsection (3)—
 - (i) by substituting for the words "thirty-six" in paragraph (a) the words "twenty-four";
 - (ii) by substituting for the word "sixty" in paragraph (a) the word "forty"; and
 - (iii) by inserting, immediately after the word "death" in paragraph (b), the words ", provided that the total number of monthly contributions paid during the said period shall be at least twenty-four"; and
- (b) in subsection (4), by inserting, immediately after the word "death", the words ", provided that the total number of monthly contributions paid during the said period shall be at least twenty-four".

Substitution of section 31. 20. The principal Act is amended by substituting for section 31 the following:

"Liability of employer and his servant. 31. An insured person or his dependants shall not be entitled to receive or recover from the employer of the insured person, or from any other person who is the servant of the employer, any compensation or damages under any other law for the time being in force in respect of an employment injury sustained as an employee under this Act."

New section 33A. 21. The principal Act is amended by inserting, immediately after section 33, the following new section 33A:

"Insured person dies before medical board examination. 33A. Where an insured person, having submitted his notice of invalidity or application for reference to the medical board for determination of the disablement question in accordance with the regulations, dies before being examined by a medical board, the Organisation may in its discretion, subject to any available medical evidence to its satisfaction, refer such a case to the medical board for determination of the invalidity question or disablement question, as the case may be."

Amendment of section 57. 22. Section 57 of the principal Act is amended by deleting the words ", where he is required to go outside his place of residence" in subsection (4).

Amendment of section 59B. 23. The Bahasa Malaysia text of the principal Act is amended by substituting for the word "pekerja-pekerja" in paragraph (d) of subsection (2) of section 59B the word "majikan-majikan".

Amendment of section 59J. 24. Section 59J of the principal Act is amended—
 (a) by deleting the subsection number "(1)"; and
 (b) by substituting for the words "Invalidity Pension Fund and the Employment Injury Fund" the words "Social Security Fund".

25. Section 59N of the principal Act is amended by substituting for subsection (1) the following: Amendment of section 59N.

"(1) Subject to any other provisions in this Act and in the staff rules, the Director-General shall dispose of all questions relating to the service (other than questions on appointment, suspension, promotion and dismissal), pay, privileges and allowances of officers and servants of the Organisation:

Provided that in the case of officers and servants who are not in the Group "D" category, such powers, with the exception of granting or suspending leave, shall not be exercised without the previous approval of the Board."

26. The principal Act is amended by inserting, immediately after section 59p, the following new sections 59q, 59R, 59s, 59T, 59u, 59v and 59w: New sections 59Q, 59R, 59s, 59T, 59u, 59v and 59w.

"Disciplinary Committee. 59g. There shall be a Disciplinary Committee which shall consist of the following three members—

(a) two members to be elected by and from among the members of the Board (other than the Chairman of the Board), one of whom shall be elected as chairman; and

(b) the Director-General:

Provided that the Director-General or the Deputy Director-General, as the case may be, shall not be a member of the Disciplinary Committee in any proceedings before it in which he is the complainant, in which case his place shall be taken by a member to be appointed by and from the members of the Board.

Discipline of officers. 59R. (1) The disciplinary authority in respect of every officer and servant of the Organisation, other than the Director-General and the Deputy Director-General, shall be the Disciplinary Committee established under section 59Q.

(2) In the exercise of its functions, powers or duties the Disciplinary Committee shall have the power to take such disciplinary action and impose such disciplinary punishment as may be provided by any rules that may be made under section 59T.

(3) The Disciplinary Committee may, subject to subsection (4), delegate any of its disciplinary functions, powers or duties to any officer or servant of the Organisation, or to any committee of officers or servants of the Organisation, in respect of any particular officer or servant of the Organisation or in respect of any class or category of officers or servants of the Organisation, and the officer or servant or the committee delegated with such functions, powers or duties shall carry out, exercise or discharge them under the direction and control of the Disciplinary Committee which shall have the power to review, rescind or vary any decision or finding of such officer or servant, or committee.

(4) No delegation shall be made under subsection (3) so as to enable an officer or servant of the Organisation to exercise any disciplinary authority or to be a member of a committee which may exercise any disciplinary authority over an officer or servant who is superior to him in rank.

(5) Any officer or servant of the Organisation who is dissatisfied with the decision of the Disciplinary Committee or of any person or committee delegated with disciplinary functions, powers or duties under subsection (3) may, within fourteen days, appeal in writing against such decision to the Disciplinary Appeal Board which may give such decision thereon as it deems fit.

Establish-
ment of
Disciplinary
Appeal
Board,

59s. (1) There shall be established a Disciplinary Appeal Board composed as follows;

- (a) the Chairman of the Board, as Chairman; and
- (b) members of the Board, excluding the members who sit in the Disciplinary Committee.

(2) The decision of the Disciplinary Appeal Board shall be final.

Power
to make
disciplinary
rules.

59T. (1) The Board may, with the approval of the Minister, make such disciplinary rules as it deems necessary or expedient to provide for the discipline of the officers and servants of the Organisation.

(2) The disciplinary rules made by the Board under this section may include—

- (a) provisions for the interdiction with reduction in salary or in other remuneration, or provisions for the suspension without salary or other remuneration, of an officer or servant of the Organisation during the pendency of disciplinary proceedings;
- (b) provisions for disciplinary offences and punishment as the Board may deem appropriate, and the punishments so provided may extend to dismissal or reduction in rank; and
- (c) the procedure for disciplinary proceedings and provisions for an opportunity for representations to be made by the person against whom disciplinary proceedings are taken.

Imposition
of surcharge.

59u. (1) If the Board is satisfied that any person who is or was in the employment of the Organisation—

- (a) is or was responsible for any improper payment of moneys from the Fund or for any payment of such moneys which is not duly vouched;
- (b) is or was responsible for any deficiency in, or for the destruction of, any moneys, stamps, securities, stores or other property of the Organisation;
- (c) being or having been an accounting officer, fails or has failed to keep proper accounts or records; or
- (d) has failed to make any payment, or is or was responsible for any delay in the payment, of moneys from the Fund to any person to whom such payment is due under any contract, agreement or arrangement entered into between that person and the Organisation,

and if a satisfactory explanation is not furnished to the Board within a period specified by the Board, with regard to the failure to collect, improper payment, payment not duly vouched, deficiency or destruction, or failure to keep proper accounts or records, or failure to make payment, or delay in making payment, the Board may surcharge against the said person a sum not exceeding the amount of any such amount not collected, such payment, deficiency, or loss or the value of the property destroyed, as the case may be; and with regard to the failure to keep proper accounts or records, or the failure to make payment, or the delay in making payment, the Board may surcharge against the said person such sum as the Board may think fit.

(2) The Board shall cause the Director-General to be notified of any surcharge made under subsection (1) and the Director-General shall thereupon notify the person surcharged.

(3) The Board may at any time withdraw any surcharge in respect of which a satisfactory explanation has been received or if it otherwise appears that no surcharge should have been made, and the Board shall at once cause the Director-General to be notified of such withdrawal.

(4) The amount of any surcharge imposed under subsection (1) and not withdrawn under subsection (3) shall be a debt due to the Organisation from the person against whom the surcharge is imposed and may be sued for and recovered in any court at the suit of the Organisation and may also be recovered by deduction—

- (a) from the salary of the person surcharged if the Board so directs; or
- (b) from the pension of the person surcharged if the Board so directs,

by equal monthly instalments not exceeding one-fourth of the total monthly salary or pension, as the case may be, of the person.

Establish-
ment of
Promotion
Board.

59v. (1) There shall be established a Promotion Board in respect of each of the categories of officers and servants as set out in the first column of the Tenth Schedule, constituting the members specified in the second column of the same Schedule.

(2) The relevant Promotion Board shall have jurisdiction and shall exercise its functions in all matters relating to promotion in respect of all officers and servants of the Organisation in the category specified in the first column of the Tenth Schedule.

Establish-
ment of
Promotion
Appeal
Board.

59w. (1) There shall be established a Promotion Appeal Board in respect of each of the categories of officers and servants as set out in the first column of the Tenth Schedule constituting the members specified in the third column of the same Schedule.

(2) The Promotion Appeal Board shall have jurisdiction and shall exercise its functions in respect of any appeal against any decision of a Promotion Board relating to an officer or servant over whom that Promotion Board has jurisdiction.

(3) Any officer or servant, who is eligible for promotion, or for acting in a capacity with a view to promotion, who is aggrieved by the decision of the Promotion Board concerned, may appeal to the relevant Promotion Appeal Board.

(4) A Promotion Appeal Board, after considering the appeal, may confirm or vary the decision of the Promotion Board concerned, the result of which shall be duly conveyed to the Promotion Board to enable it to come to a decision.

(5) The Promotion Board may alter the effective date of promotion and the order of seniority of the officers or servants concerned but without prejudice to the promotion *per se* of the successful officers or servants.

(6) The decision of the Promotion Appeal Board shall be final."

Substitu-
tion of
section 68.

27. The principal Act is amended by substituting for section 68 the following:

"Social
Security
Fund

68. There shall be established under this Act the Social Security Fund into which shall be paid—

(a) contributions payable by or in respect of insured persons;

- (b) rent, interest, dividend or any other income derived from the assets of the Organisation;
- (c) sums properly accruing to the Fund under this Act, including the repayment of benefits;
- (d) sums recovered under this Act as fees, costs, charges and any interest on arrears of contributions;
- (e) sums by way of grants, donations and gifts from the Federal Government, State Government, local authority, or any individual or body, whether incorporated or not, for all or any of the purposes of this Act;
- (f) sums transferred from funds that were previously established under this Act; and
- (g) any other monies payable to the Organisation."

28. The principal Act is amended by substituting for section 69 the following:

Substitution
of section
69.

"Adminis-
tration of
the Fund. 69. (1) The Social Security Fund shall be held and administered by the Organisation for the purposes of this Act.

(2) All monies accruing or payable to the said Fund shall be paid into such banks as may be authorised by the Board:

Provided that the Board may authorise post offices also to accept, on behalf of the Organisation, all monies accruing or payable to the Fund referred to in section 68 subject to such terms and conditions as may be prescribed in the regulations."

- Amendment of section 71. 29. Section 71 of the principal Act is amended by substituting for the words "Social Security Invalidity Pension Fund and the Social Security Employment Injury Fund" the words "Social Security Fund".
- Amendment of section 72. 30. Section 72 of the principal Act is amended—
- (a) by substituting for the words "Invalidity Pension Fund or the Employment Injury Fund or both" the words "Social Security Fund"; and
 - (b) by substituting for the words "fund for officers" in paragraph (a) the words "fund, welfare and recreation of officers".
- New section 72A. 31. The principal Act is amended by inserting, immediately after section 72, the following new section 72A:
- "Withdrawal from Fund for loans. 72A. Notwithstanding section 71, the Organisation may authorise the withdrawal of such amount from the Social Security Fund as may be required for granting loans to officers and servants of the Organisation as provided in the staff rules or for purposes similar to those approved by the Government for members of the public services."
- Amendment of section 75A. 32. Section 75A of the principal Act is amended by inserting, immediately after the word "Organisation" in paragraph (c) of subsection (2), the words "as Deputy Chairman".
- New section 75B. 33. The principal Act is amended by inserting, immediately after section 75A, the following new section 75e:
- "Deputy Chairman to act as Chairman. 75e. (1) If for any period the Chairman of the Investment Panel is absent from Malaysia or incapacitated through illness, or for any other reason is unable to perform his duties, the Deputy Chairman shall perform the duties of Chairman during such period."

(2) Where the office of Chairman becomes vacant, the Deputy Chairman shall perform the duties of the Chairman until such time as the vacancy is filled."

34. Section 83 of the principal Act is amended by inserting, immediately after subsection (5), the following new subsections (6), (7) and (8): Amendment of section 83.

"(6) The Minister may nominate an alternate member in respect of each member of the Board nominated under subsection (5) to attend any proceedings of the Board whenever such member is unable to attend such proceedings due to illness, incapacity or for any other reason:

Provided that the nomination is made by the Minister in consultation with such organisations representing employers and employees respectively as he may think fit.

(7) When attending the proceedings of the Board, an alternate member shall for all purposes be deemed to be a member of the Board.

(8) An alternate member shall, unless he sooner resigns membership or his nomination is sooner withdrawn, cease to be an alternate member when the member whom he is alternate to ceases to be a member of the Board."

35. The principal Act is amended by substituting for section 93 the following: Substitution of section 93.

"Punishment for false information. 93. Where any person, for the purpose of causing any increase in payment or benefit under this Act, or for the purpose of causing any payment or benefit to be made where no payment or benefit is authorised by or under this Act, or for the purpose of avoiding any payment to be made by himself under this Act, or enabling any other person to avoid any such payment—

(a) makes or causes to be made any false statement or false representation; or

(b) makes in writing or signs any declaration, form, report, certificate or other document required by this Act or any regulation made thereunder which is untrue or incorrect in any material particular,

shall be punishable with imprisonment for a term which may extend to six months, or with a fine not exceeding two thousand ringgit, or with both."

Amendment
of section 95.

36. Section 95 of the principal Act is amended by inserting, immediately after subsection (1), the following new subsection (2):

"(2) Prosecutions in respect of any offence under this Act or any regulations or rules made thereunder may be conducted by any officer authorised in writing in that behalf by the Director-General."

Substitution
of section 96.

37. The principal Act is amended by substituting for section 96 the following:

"Insured
person
not
entitled
to more
than one
benefit.

96. (1) An insured person shall not be allowed to receive, for the same period and in respect of the same disablement, invalidity pension and permanent disablement benefit.

(2) Where a person is entitled to both benefits, he may choose which benefit he shall receive for that period."

Substitution
of section
96A-

38. The principal Act is amended by substituting for section 96A the following:

"Dependant
not entitled
to both
survivors*
pension and
dependants'
benefit for
the same
period.

96A. (1) A dependant shall not be allowed to receive, for the same period in respect of the same insured person, survivors' pension and dependants' benefit.

(2) Where a dependant is entitled to both survivors' pension and dependants' benefit, he may choose to receive the benefit which is payable at the higher rate."

39. Section 100 of the principal Act is amended by inserting, immediately after the words "local authority", the words "or statutory authority".

Amendment
of section 100.

40. Section 105 of the principal Act is amended by substituting for the words "Invalidity Pension Fund and the Employment Injury Fund and their" in paragraph (xxxix) of subsection (2) the words "Social Security Fund and its".

Amendment
of section 105.

41. Section 106A of the principal Act is amended—

Amendment
of section
106A.

- (a) by substituting for the full stop appearing at the end of the second proviso a colon; and
- (b) by inserting, immediately after the second proviso, the following new proviso:

"And provided further that in the case where the insured person who is in receipt of invalidity pension dies before the 1st February 1986, the amount of the monthly rate of invalidity pension for the purposes of survivors' pension under section 20A shall be the amount the deceased insured person is entitled to had he been alive in the month of January 1986."

42. The principal Act is amended by inserting, immediately after section 110, the following new sections 111 and 112:

New sections
111 and 112.

"Organisa-
tion to deal
with
authorised
person.

111. (1) In all matters pertaining to benefits under this Act, the Organisation may deal directly with the insured person or his dependants, or an official of a registered trade union authorised in writing by such insured person or his dependants, or a legal practitioner representing such insured person or his dependants.

(2) The Organisation may refuse to entertain any representation made by any other person.

Benefit for two or more successive accidents.

112. (1) Where a person sustains permanent disablement as a result of two or more successive accidents, he shall not for the same period be entitled to receive disablement benefit for permanent disablement in excess of the daily rate for permanent total disablement.

(2) The Minister may make regulations to provide for adjusting the disablement benefit payable in respect of successive accidents or the conditions for the receipt of such benefit in any case where the disablement benefit has been commuted into a lump sum."

Amendment of First Schedule.

43. The First Schedule to the principal Act is amended—

(a) in paragraph (1)—

- (i) by substituting for the words "one thousand" wherever it appears the words "two thousand";
- (ii) by substituting for the full stop appearing at the end of the proviso a colon; and
- (iii) by inserting, immediately after the proviso, the following new proviso:

"And provided further that in any other case where a person, whose wages exceed two thousand ringgit a month, and his employer elect to pay any contribution in accordance with this Act then such person shall be deemed to be an employee under this Act."; and

(b) by deleting paragraphs (9), (10) and (11).

44. The Third Schedule to the principal Act is amended— Amendment
of Third
Schedule.

- (a) by substituting for the words "First, Second and Third" in paragraph 1 the words "First and Second";
- (b) by inserting, immediately after paragraph 1, the following new paragraph IA:

"1A. For the purposes of this Schedule—

- (a) "Monthly wages" means wages payable to an employee in respect of all wage periods ending in the month; and
- (b) "Wage period" means the period in respect of which wages earned by an employee are payable.";
- (c) by inserting, immediately after the words "When wages exceed \$900" in item 14 of paragraph 2, the words "but not \$1000";
- (d) by inserting, immediately after item 14 in paragraph 2, the following new items 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24:

"15.	When wages exceed \$1,000 but not \$1,100	\$18.35	\$5.25	\$23.60
16.	When wages exceed \$1,100 but not \$1,200	\$20.15	\$5.75	\$25.90
17.	When wages exceed \$1,200 but not \$1,300	\$21.85	\$6.25	\$28.10
18.	When wages exceed \$1,300 but not \$1,400	\$23.65	\$6.75	\$30.40

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19.	When wages exceed \$1,400 but not \$1,500	\$25.35	\$7.25	\$32.60
20.	When wages exceed \$1,500 but not \$1,600	\$27.15	\$7.75	\$34.90
21.	When wages exceed \$1,600 but not \$1,700	\$28.85	\$8.25	\$37.10
22.	When wages exceed \$1,700 but not \$1,800	\$30.65	\$8.75	\$39.40
23.	When wages exceed \$1,800 but not \$1,900	\$32.35	\$9.25	\$41.60
24.	When wages exceed \$1,900	\$34.15	\$9.75	\$43.90";

- (e) by deleting paragraph 3;
- (f) by substituting for the word "Third" in paragraph 4 the word "Second";
- (g) by inserting, immediately after the words "When wages exceed \$900" in item 14 of paragraph 4, the words "but not \$1000"; and
- (h) by inserting, immediately after item 14 in paragraph 4, the following new items 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24:

"15.	When wages exceed \$1,000 but not \$1,100	\$13.10
16.	When wages exceed \$1,100 but not \$1,200	\$14.40
17.	When wages exceed \$1,200 but not \$K300	\$15.60
18.	When wages exceed \$1,300 but not \$1,400	\$16.90

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19.	When wages exceed \$1,400 but not \$1,500	\$18.10
20.	When wages exceed \$1,500 but not \$1,600	\$19.40
21.	When wages exceed \$1,600 but not \$1,700	\$20.60
22.	When wages exceed \$1,700 but not \$1,800	\$21.90
23.	When wages exceed \$1,800 but not \$1,900	\$23.10
24.	When wages exceed \$1,900	\$24.40".

45. The Fourth Schedule to the principal Act is amended— Amendment of Fourth schedule.

- (a) by substituting for the word "Third" wherever it appears therein the word "Second";
- (b) by inserting, immediately after the words "When wages exceed \$900" in item 14 of paragraph 4, the words "but not \$1000"; and
- (c) by inserting, immediately after item 14 in paragraph 4, the following new items 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24:

"15.	When wages exceed \$1,000 but not \$1,100	\$23.60	\$13.10	\$1,050
16.	When wages exceed \$1,100 but not \$1,200	\$25.90	\$14.40	\$1,150
17.	When wages exceed \$1,200 but not \$1,300	\$28.10	\$15.60	\$1,250

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18.	When wages exceed \$1,300 but not \$1,400	\$30.40	\$16.90	\$1,350
19.	When wages exceed \$1,400 but not \$1,500	\$32.60	\$18.10	\$1,450
20.	When wages exceed \$1,500 but not \$1,600	\$34.90	\$19.40	\$1,550
21.	When wages exceed \$1,600 but not \$1,700	\$37.10	\$20.60	\$1,650
22.	When wages exceed \$1,700 but not \$1,800	\$39.40	\$21.90	\$1,750
23.	When wages exceed \$1,800 but not \$1,900	\$41.60	\$23.10	\$1,850
24.	When wages exceed \$1,900	\$43.90	\$24.40	\$1,950".

Amendment
of Seventh
Schedule.

46. The Seventh Schedule to the principal Act is amended in paragraph 1—

- (a) by deleting subparagraphs (f) and (j); and
- (b) by substituting for the words "; and" appearing at the end of subparagraph (i) a full stop.

Amendment
of Eighth
Schedule.

47. The Eighth Schedule to the principal Act is amended—

- (a) by substituting for the words "thirty-six" in paragraph 2 and subparagraph (1) of paragraph 4 the words "twenty-four"; and
- (b) by substituting for the proviso to subparagraph (1) of paragraph 4 the following:

"Provided that a minimum average monthly wage shall be three hundred and forty-two ringgit and eighty-six sen subject to such amount as may be prescribed by the Minister from time to time by regulations."

48. The principal Act is amended by inserting, immediately after the Ninth Schedule, the following new Tenth Schedule.

New Tenth Schedule.

"TENTH SCHEDULE

MEMBERSHIP OF THE PROMOTION BOARDS AND APPEAL BOARDS

(Sections 59V and 59W)

<i>Category of Officers</i>	<i>Promotion Board</i>	<i>Appeal Board</i>
1. Services in Group "A"	Three members of the Board including the Director-General, one of whom is to be appointed by the Board as Chairman	Chairman of the Board ... <i>Chairman</i> Members of the Board ... <i>Members</i>
2. Services in Groups "B" & "C"	Director-General or his representative <i>Chairman</i>	Chairman of the Establishment Committee ... <i>Chairman</i>
	Head of Division or Branch of the Organisation appointed by the Director-General <i>Member</i>	Members of the Establishment Committee .. <i>Members</i>
3. Services in Group "D"	Principal Assistant Secretary. Ministry responsible for labour and appointed by the Secretary-General of the same Ministry ... <i>Member</i>	
	Director-General or his representative <i>Chairman</i>	Chairman of the Establishment Committee . <i>Chairman</i>
	Two officers in Group "A" appointed by the Director-General .. <i>Members</i>	Members of the Establishment Committee <i>Members</i> ".

EXPLANATORY STATEMENT

This Bill seeks to amend the Employees' Social Security Act 1969 (hereinafter referred to as the "Act").

2. *Clause 2* seeks to amend the long title of the Act to provide for a wider scope of the social security scheme.

3. *Clause 3* seeks to amend section 2 of the Act to introduce a new definition of 'dependants' and to define the word "Fund".

4. *Clause 4* seeks to amend section 3 of the Act to extend the coverage of the social security scheme to industries having one or more employees. At present the social security scheme only covers all industries employing five or more persons.

5. *Clause 5* deals with a consequential amendment.

6. *Clause 6(a)* seeks to amend section 9A of the Act by deleting the word "insurable" which appears before the words "employees" and "employment". This has been done for purposes of ensuring consistency in the usage of terms throughout the Act. *Clause 6(b)* seeks to clarify the position between the proviso to section 9A and the proviso to subsection (2) of section 7 in respect of the recovery of arrears of contributions by the employer through the deduction of the employee's wages.

7. *Clause 7* seeks to introduce a new section 9e to the Act. Section 9s is a validating provision to legalise and validate any contribution which has been collected by the Organisation for any employee who was not registered for purposes of insurance under the Act for any period prior to the 1st July 1987, that is, the date of the coming into force of the existing section 9A.

8. *Clause 8* seeks to amend section 12 of the Act to widen the jurisdiction of the inspectors appointed under the Act.

9. *Clause 9* provides for any order made under section 13 to be served either personally or by registered post.

10. *Clause 10* seeks to amend section 15 by deleting the words which are now considered unnecessary.

11. *Clauses 11 and 12* seek to amend sections 17 and 17A of the Act respectively to reduce the qualifying period for invalidity pension from thirty-six months to twenty-four months to enable more insured persons to be covered under the invalidity pension scheme.

12. *Clause 13* seeks to amend the Act by deleting section 18. The provisions therein contained will now be incorporated into the new section 19.

13. *Clause 14* seeks to amend section 19 of the Act to provide for the payment of invalidity pension to accrue from the day the insured person gives notice of invalidity and to cease on the day following the day in which invalidity ceases or the day the pensioner dies. *Clause 14* also seeks to introduce a new method of computing the payment of invalidity pension by dividing the monthly rate of invalidity pension paid or payable with the number of days in the month in which the pension accrues or the invalidity ceases or the pensioner dies.

14. *Clauses 15(a) and (b)* are consequential amendments. *Clause 15 (b) (ii)* seeks to insert a new proviso to section 20 of the Act to provide specifically that the minimum average monthly wage for invalidity pension shall be three hundred and forty-two ringgit and eighty-six sen subject to such other amount as may be prescribed by the Minister in the regulations.

15. *Clauses 16 and 18* seek to amend sections 20A and 26 of the Act respectively to enable a widowed mother, being a secondary dependant under the Act, to be entitled to dependant's benefits.

16. *Clause 17* seeks to amend section 24 by introducing a new provision to cover any accident suffered by the insured person while travelling on a journey made for any of the purposes stipulated in the same section.

17. *Clause 19* is a consequential amendment.

18. *Clause 20* seeks to amend section 31 of the Act to provide that the insured person or his dependants are not allowed to claim any compensation or damages from the employer of the insured person or any servant of such employer under any other law for the time being in force in respect of any employment injury sustained as an employee under the Act.

19. *Clause 21* seeks to introduce a new section 33A to empower the Organisation, in its discretion, to refer a case to a medical board for determination of the invalidity question or disablement question in circumstances where the insured person, after submitting his notice of invalidity or application for reference to a medical board, dies before being examined by such medical board.

20. *Clause 22* seeks to amend section 57 of the Act in order to allow an insured person who has to undergo rehabilitation to be reimbursed by the Organisation irrespective of whether he is required to go outside his place of residence or otherwise.

21. *Clause 23* seeks to make a necessary technical amendment.

22. *Clause 25* seeks to amend section 59N of the Act to spell out the powers of the Director-General in the service matters of the officers and servants of the Organisation. This is necessary in view of the establishment of a Promotion Board under the Act.

23. *Clause 26* seeks to introduce the new sections 59Q, 59R, 59s, 59T, 59u, 59v and 59w. Sections 59Q, 59R and 59T provide for the establishment of a Disciplinary Committee and other provisions relating to disciplinary matters. Section 59s provides for the establishment of a Disciplinary Appeal Board. Section 59u

introduces the provisions on surcharge. Sections 59v and 59w provide for the establishment of a Promotion Board and a Promotion Appeal Board, respectively, and the relevant Board's functions and jurisdiction.

24. *Clause 27* seeks to amend section 68 of the Act to provide for the consolidation of the existing funds of the Organisation. The consolidation is necessary to ensure flexibility in expenditure and in the management of the Fund.

25. *Clauses 24, 28 and 29* are consequential amendments necessitated by the consolidation of the funds of the Organisation.

26. *Clause 30* seeks to amend section 72 of the Act to render it lawful for the Fund of the Organisation to be expended for the welfare and recreational purposes of the officers and servants of the Organisation.

27. *Clause 31* seeks to introduce a new section 72A to enable the Fund of the Organisation to be expended for the purpose of granting loans to officers and servants of the Organisation.

28. *Clause 32* seeks to amend section 75A of the Act to enable the Director-General to act as the Deputy Chairman of the Investment Panel.

29. *Clause 33* seeks to introduce a new section 75B which provides that in the absence of the Chairman of the Investment Panel due to illness or other causes, the Investment Panel will be presided by the Director-General as Deputy Chairman. This will enable the Investment Panel to function despite the absence of the Chairman.

30. *Clause 34* seeks to amend section 83 of the Act by introducing the new subsections (6), (7) and (8) to empower the Minister to nominate an alternate member to each member of the Social Security Appellate Board whenever such member is unable to attend the proceedings of the Appellate Board due to illness or other causes. This will ensure that the proceedings of the Appellate Board can continue despite the absence of the member.

31. *Clause 35* seeks to amend section 93 of the Act to make it an offence for any person to make in writing or to sign any declaration or other document required under the Act which is untrue or incorrect in any material particular.

32. *Clause 36* seeks to amend section 95 of the Act to empower the Director-General to authorise the officers of the Organisation to conduct prosecutions under the Act.

33. *Clause 37* seeks to amend section 96 of the Act by deleting the existing section 96(1)(b). This will then enable the insured person who is entitled to the benefits under the Act to be

compensated under the Workmen's Compensation Act 1952 if the disablement of the insured person was due to any employment injury sustained as an employee.

34. *Clause 38* seeks to amend section 96A of the Act to enable the dependant who is entitled to the benefits under the Act to be compensated under the Workmen's Compensation Act 1952 if the death of the insured person was due to any employment injury sustained as an employee.

35. *Clause 39* seeks to amend section 100 of the Act to empower the Minister to exempt any industry or class of industries belonging to any statutory authority from the operation of the Act.

36. *Clause 40* seeks to make a consequential amendment to section 105 of the Act. This is necessitated by the consolidation of the funds of the Organisation.

37. *Clause 41* seeks to insert a new proviso to section 106A of the Act to stipulate the amount of the monthly rate of invalidity pension to be paid to the dependants where the invalidity pensioner dies before 1st February 1986.

38. *Clause 42* seeks to introduce the new sections 111 and 112. Section 111 gives the power to the Organisation to deal directly with the insured person or his dependants or any authorised person only. This is to prevent any other person from making any claim on behalf of the insured person or his dependants for such person's personal gains. Section 112 disallows a person sustaining permanent disablement as a result of two or more successive accidents to receive, in the same period, disablement benefit for permanent disablement in excess of the daily rate for permanent total disablement.

39. *Clause 43* seeks to amend paragraph (1) of the First Schedule. Under the existing provision the Act covers any person whose wages do not exceed one thousand dollars a month. With the amendment the ambit of the Act is increased to cover all persons earning up to two thousand ringgit a month. A new proviso is introduced to allow any person, whose wages exceed two thousand ringgit a month, and his employer to elect, on a voluntary basis, to make contributions under the Act. In such a case then the person is deemed to be an employee under the Act.

Clause 43 also seeks to delete paragraphs (9), (10) and (11) of the same Schedule. This is done in order to include under the social security scheme all nomadic aborigines, persons who are employed for catching fish in maritime waters or employed on board any vessel for such purpose, and all agricultural workers who are employed for the purpose of cultivating, upkeeping and-harvesting padi.

40. *Clauses 44, 45, 46, 47 and 48* seek to make consequential amendments.

FINANCIAL IMPLICATIONS

This Bill will not involve the Government in any extra financial expenditure. [PN. (U³) 1636.]