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EMPLOYER CIRCULAR NO. 6/2014

THE AMNESTY PERIOD FOR EMPLOYERS THAT ARE LIABLE BUT YET TO REGISTER WITH THE HUMAN RESOURCE DEVELOPMENT FUND (HRDF) FOR UNDER PEMBANGUNAN SUMBER MANUSIA BERHAD ACT, 2001.

1.0 PURPOSE

- 1.1 The purpose of this circular is to inform employers who are liable under the First Schedule of Pembangunan Sumber Manusia Berhad Act, 2001 (PSMB Act, 2001) but yet to register with the Human Resource Development Fund (HRDF), in which these employers shall only have to pay levy from the date of registration if registration is made within the amnesty period, which is from 1st June 2014 until 30th November 2014.

2.0 BACKGROUND

- 2.1 Every employer whom this Act applies shall register with Pembangunan Sumber Manusia Berhad (PSMB) within stipulated period and in such manner as prescribed in Section 13(1) of the PSMB Act, 2001 and is required under Section 14(1) of the same Act to pay the Human Resource Development (HRD) Levy in respect of each of his employees at the rate of 1% percentum of the monthly wages of the employee for the manufacturing and service sectors.
- 2.2 The employers are required to pay the levy starting from its liability date as stipulated under Regulations 7, Pembangunan Sumber

Manusia Berhad (Registration of Employers and Payment of Levy) Regulations 2001, whereby:

“ An employer who is liable to pay the levy in respect of each of his employee shall pay those levies for the first and subsequent months’ wages commencing from the date the employer becomes liable”.

3.0 THE AMNESTY PERIOD FOR EMPLOYERS

3.1 On 16 May 2014, the Honourable Minister of Human Resources has agreed to grant the amnesty period for a duration of six (6) months commencing from 1st June 2014 until 30th November 2014 for 44 existing sub-sectors under the First schedule, for employers who are liable but yet to register with PSMB under PSMB Act, 2001. The list of sub-sectors as per **Attachment A**.

3.2 As such, enclosed herewith the various illustrations for the implementation of amnesty period as per **Attachment B**.

3.3 Liable employers that register within the amnesty period shall entitle to for the exemption from payment of outstanding HRD levy arrears and interest from 1st June 2014 until 30th November 2014.

3.4 Upon the expiration of the Amnesty period, PSMB shall proceed with the legal action under Section 13(2) of PSMB Act, 2001 to employers who fail or refuse to register with PSMB.

4.0 DATE OF IMPLEMENTATION

4.1 The effective date of the circular is from 1st June 2014 until 30th November 2014.

5.0 CONCLUSION

- 5.1 Employers are highly encouraged to register with PSMB as soon as possible within the amnesty period, after the effective date of this circular.
- 5.2 Please feel free to contact our Customer Service Officer on 1-800-88-4800 or visit our website at www.hrdf.com.my should you require further clarification or assistance.

Thank you.

“HRDF – SHAPING PEOPLE”
“PEKERJA BERINOVASI PEMACU TRANSFORMASI”

Yours sincerely,

t.t.

(DATO' HJ OMAR BIN HJ AWANG)
Chief Executive
Pembangunan Sumber Manusia Berhad

ATTACHMENT A

A. LIST OF 44 EXISTING SUB-SECTORS

NO	23 MANUFACTURING SUB-SECTORS	NO	21 SERVICE SUB-SECTORS
1.	Electrical and electronic	1.	Hotel
2	Metal products	2.	Air transport
3	Mineral products	3.	Tour operating business (in-bound only)
4	Food & Beverages	4.	Telecommunication
5	Transport equipment	5.	Freight forwarding
6	Plastics products	6.	Shipping
7	Woods, wood products and cork	7.	Postal or courier
8	Machinery products	8.	Advertising
9	Chemicals	9.	Computer services
10	Paper and pulp	10.	Energy
11	Iron and steel	11.	Training
12	Rubber products	12.	Higher education
13	Wood products/furniture and household appliances	13	Direct selling
14	Printing and publishing	14.	Port services
15	Textile and apparel	15.	Engineering support and maintenance services
16	Petroleum and coal products	16.	Research and development
17	Optical and photographic	17.	Warehousing services
18	Glass and glass products	18.	Security services
19	Petroleum refineries	19.	Private hospital services
20	Footware products	20.	Commercial land transport
21	Pottery products	21.	Hypermarket, supermarket and departmental store
22	Tobacco		
23	Leather products		

ATTACHMENT B

VARIOUS ILLUSTRATIONS FOR EMPLOYERS WHO WOULD BE REGISTERING UNDER HRDF DURING THE AMNESTY PERIOD

a) Illustration 1

Employer A is liable to register with PSMB on 1.1.2005 but only registered before 1.6.2014. As the employer registered before the amnesty period, employer A is **not eligible** for the special consideration and is required:

- to pay HRD levy arrears from its liability date which is on 1.1.2005;
- will be exempted from the payment of interest, if arrears of levy is paid lump-sum or on installment basis based on the notice of demand issued by PSMB within 6 months from the employer's registration date; and
- if arrears of levy are paid after 6 months from the employer's registration date, the employer has to pay interest at the rate of 10% per annum from the liability date until the date all arrears are fully paid.

b) Illustration 2

Employer B is liable to register with PSMB on 1.1.2005 but has registered on 1.6.2014. As the employer registered during the amnesty period, employer B is **eligible** for the special consideration and is required:

- to pay HRD levy arrears from 1.6.2014;
- will be exempted from the payment of interest. If arrears of levy is paid after 30th November 2014, employer has to pay interest at the rate of 10% per annum for any period commencing after 30th November 2014 until the date all arrears are fully paid.

c) Illustration 3

Employer C is liable to register with PSMB on 1.1.2005 but only registered on 1.12.2014. As the employer registered after the amnesty period, employer C is **not eligible** for the special consideration and is required:

- to pay HRD levy arrears from 1.1.2005;
- will be exempted from the payment of interest, if arrears of levy is paid lump-sum or on installment basis based on the notice of demand issued by PSMB within 6 months from the employer's registration date; and
- If arrears of levy are paid after 6 months from the employer's registration date, employer has to pay interest at the rate of 10% per annum from the liability date until the date all arrears are fully paid.
