



Malaysia is situated in the heart of South East Asia, it reflects the very essence of Asia with exotic blend of multi-cultural society live together in peace and harmony. Malaysians are warm, friendly people who easily accept foreigners into their circle of friends.

Malaysia's market-oriented economy, supportive government policies and a large local business community that is ready to do business with international corporations have made Malaysia a highly competitive trade and export base.

## **Malaysia Payroll Factsheet**

### **Employee Provident Fund (EPF)**

The EPF is a social security institution which provides retirement benefits for members through management of their savings in an efficient and reliable manner. The EPF also provides a convenient framework for employers to meet their statutory and moral obligations to their employees.

The mandatory EPF contribution is eligible for Malaysian and Permanent Residents. However foreigners may choose to contribute. A contribution constitutes the amount of money credited to members' individual accounts in the EPF. The amount is calculated based on the monthly wages of an employee. Current contribution rate is in accordance with wage/salary received. For employees who receive wages/salary below RM5,000 the portion of employee's contribution is 11% of their monthly salary while the employer contributes 13%. For employees who receive wages/salary exceeding RM5,000 the employee's contribution of 11% remains, while the employer's contribution is 12%.

### **Human Resources Development Levy (HRDF)**

The Human Resources Development Levy is the mandatory levy payment imposed by the Government on specified groups of employers for the purpose of employee training and skills upgrading. Under the law, certain categories of employers are liable to pay a Human Resource Development levy for each working employee at the rate of 1.0% of the monthly wages of the employee. However, the Minister of Human Resources may, from time to time, by order published in the Gazette, reduce or increase the

#### **Tiger Consulting Sdn Bhd**

Level 20 Menara Standard Chartered 30 Jalan Sultan Ismail, Kuala Lumpur, Malaysia 50250

Tel: +603 2117 5186 Fax: + 603 2117 5252 Email: [info@tiger-consulting.net](mailto:info@tiger-consulting.net)

Website: [www.tiger-consulting.net](http://www.tiger-consulting.net)



rate of the levy specified. The minister is also empowered to exempt fully or partially any of the employers from the payment of this levy.

### **Social Security organisation (SOCSO)**

SOCSO provides social security protection to employees and their dependents through social security schemes and to increase awareness of occupational safety and health for the well-being of employees and their families.

### **Inland Revenue Board of Malaysia (IRB)**

Every individual who is liable to tax is required to declare his income to IRB yearly. Non-resident individual is taxed at a different tax rate on income earned/received from Malaysia which is 26% on employment. Employer had the responsibility to withhold tax for all employees who are under employment in Malaysia on monthly basic.

## **Living and working in Malaysia**

### **Working in Malaysia**

Foreign nationals intending to work in Malaysia must generally obtain one of three work visas: employment pass, temporary employment visit pass, or professional visit pass.

An employment pass applies to investors, skilled workers, professionals, and senior management in companies. The minimum employment period required is two years.

A temporary employment visit pass is for unskilled and semi-skilled workers in the manufacturing, construction, and service fields. Foreign nationals under this category may typically work for up to three years, with extensions available on a year-to-year basis.

A professional visit pass is generally appropriate for technical experts, including experts in machinery installation, and technical trainees. Professional visit passes are typically issued on a short-term basis.

A business is an organization that provides goods and services to others who want or need them. It includes every form of trade, commerce, craftsmanship, occupation, profession or other activities that is carried out for the purpose of maximizing profit.

### **Accommodations**

Expats moving to Malaysia can rest assured that they will have no problem in finding comfortable, affordable accommodation while in Malaysia. All types of accommodation are present, from large, stand-alone houses (known as bungalows), to semi-detached and terraced houses, to apartments and condominiums or hotels for short stay.

### **Tiger Consulting Sdn Bhd**

Level 20 Menara Standard Chartered 30 Jalan Sultan Ismail, Kuala Lumpur, Malaysia 50250

Tel: +603 2117 5186 Fax: + 603 2117 5252 Email: [info@tiger-consulting.net](mailto:info@tiger-consulting.net)

Website: [www.tiger-consulting.net](http://www.tiger-consulting.net)



Generally, condominiums are most popular with expats in Malaysia, as they are secure, and often boast highly sought-after amenities, such as gyms, swimming pools and even tennis courts. Renting a 2-bedroom condo in an upmarket area of Kuala Lumpur cost up to MYR3000, there are cheaper areas and cheaper options, starting from MYR1000 per month.

### Transportations

Once you are in the country there is always transport available to you to even remote areas. The public transportation system in Malaysia comprises of bus, railway and taxi services. The Klang Valley has an integrated public transportation system incorporating the Light Rail Transit (LRT), monorail, railway and bus services are being developed. Taxis and limousine services are also available at reasonable rates.

### Food

Malaysia has a fine range of cuisine from across the world, and this is reflected in the many types of restaurants available. Street food in Malaysia is a great experience and provides for a cheap night out; even restaurant meals will seldom cost more than MYR30 to MYR50. Alcohol gets expensive though, so drinks can increase the meal bill substantially.

### Languages

There are as many languages spoken as there are people of different ethnic backgrounds gathered in Malaysia. Bahasa Malaysia is the national language and English is an active second language, which is widely spoken, mostly used in business.

### Public Holiday 2013 in Malaysia

- |                                 |                                      |
|---------------------------------|--------------------------------------|
| • New Year's Day                | 1 January (Tuesday)                  |
| • Birthday of Prophet Muhammad  | 24 January (Thursday)                |
| • Thaipusam                     | 27 January (Sunday)                  |
| • Substitute – Thaipusam        | 28 January (Monday)                  |
| • Federal Territory Day         | 1 February (Friday)                  |
| • Chinese New Year              | 10 – 11 February (Sunday and Monday) |
| • Substitute - Chinese New Year | 12 February (Tuesday)                |
| • Labour Day                    | 1 May (Wednesday)                    |
| • Wesak Day                     | 24 May (Friday)                      |
| • Agong's Birthday              | 1 June (Saturday)                    |
| • Hari Raya Puasa               | 8 – 9 August (Thursday and Friday)   |
| • National Day                  | 31 August (Saturday)                 |
| • Malaysia Day                  | 16 September (Monday)                |
| • Hari Raya Qurban              | 15 October (Tuesday)                 |
| • Deepavali                     | 3 November (Sunday)                  |
| • Substitute – Deepavali        | 4 November (Monday)                  |
| • Awal Muharram                 | 5 November (Tuesday)                 |
| • Christmas Day                 | 25 December (Wednesday)              |

### **Tiger Consulting Sdn Bhd**

Level 20 Menara Standard Chartered 30 Jalan Sultan Ismail, Kuala Lumpur, Malaysia 50250

Tel: +603 2117 5186 Fax: + 603 2117 5252 Email: [info@tiger-consulting.net](mailto:info@tiger-consulting.net)

Website: [www.tiger-consulting.net](http://www.tiger-consulting.net)