

One of the most challenging parts of expanding to a new country is figuring out the right compensation and benefits for all your employees. This process involves following Malaysia's compensation laws and determining which benefits are the statutory minimum and which are additional. Globalization Partners can take the stress of Malaysia benefit management off your hands. When you outsource with us, we'll make sure you offer competitive benefits packages and stay compliant with all of Malaysia's compensation laws.

## Malaysia Compensation Laws

Malaysia standardized its minimum wage in January 2019 at a rate of 1,050 MYR a month, or 5.05 MYR an hour. Whatever you decide to pay your employees, make sure to include it in a signed employment contract to avoid any litigation.

Malaysia's compensation laws also regulate overtime pay. If an employee works more than 48 hours per week, they must get 1.5 times their regular wages for any extra hours.

## Guaranteed Benefits in Malaysia

If you decide to handle benefits yourself instead of Malaysia benefit outsourcing, you must make sure every employee gets the guaranteed benefits required by law. These benefits include paid annual leave based on how long the employee has worked for the company. For example, employees with fewer than two years of service get eight days of vacation for each year worked. Employees with five or more years of service get 16 days off for each year.

All employees are covered by Malaysia's universal healthcare system, which is funded through both employee and employer taxes. Female workers also get no less than 60 consecutive days of maternity leave and are entitled to a maternity allowance. Their leave can start anytime within the 30 days before their expected due date.

## Malaysia Benefit Management

Part of employee benefits management is identifying any common benefits not required but

often expected by employees. For example, a 13th-month bonus is not legally required, but employers commonly give one. Performance-based bonuses are also not mandated by law, but employees often expect them.

The public health care system often has long waits, leaving employees in Malaysia to pay higher premiums for private health insurance. Some employers offer group private health insurance, group life insurance, and group accident insurance as a monthly allowance for employees.

### **Benefits and Compensation Restrictions**

Another crucial part of Malaysia compensation laws is learning the restrictions for benefits and pay. Malaysia's employment law falls under the Employment Act of 1955, so it's essential to understand this law before doling out compensation and benefits.

Globalization Partners' Malaysia benefit outsourcing services can help. We'll source the best benefits for your employees and make sure they get more than just the guaranteed minimums. Then, with our Malaysia compensation outsourcing help, we'll make sure your employees are paid on time and that you meet all employment and compensation laws.

### **Why Should You Choose Globalization Partners?**

Globalization Partners has the experience you need to expand without the worry of compliance. Contact us today to learn more.