



# Taxavvy

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## Wage Subsidy Programme 2.0



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The Wage Subsidy Programme 2.0 (“WSP 2.0”) announced on 23 September 2020 under Kerangka Inisiatif Tambahan Pakej Rangsangan Ekonomi Prihatin Rakyat (Kita Prihatin) is an extension to the Wage Subsidy Programme that was announced on 6 April 2020 (“WSP 1.0”).

Applications for WSP 2.0 can be submitted from 1 October 2020 to 31 December 2020. Under WSP 2.0, employers which are already receiving or have received wage subsidy under WSP 1.0 will be given an additional 3 months of subsidy while those which have not applied for WSP 1.0 will receive a subsidy for a period of 6 months. The condition of a reduction in the employer's monthly revenue of at least 50% is reduced to 30% under WSP 2.0.



## Extension of Wage Subsidy Programme

Employers can start to apply for WSP 2.0 from 1 October 2020 until 31 December 2020. Details and key conditions of WSP 2.0 are as follows:

	Micro or Small	Medium	Large
<i>Number of employees including foreign worker/expatriate</i>	75 and below	76 - 200	Above 200
<i>Maximum number of employees to be subsidised</i>	75	200	200
<i>Amount (per month per employee)</i>		RM600	
<i>Period of assistance provided for existing employers under the scheme</i>		3 months	
<i>Period of assistance provided for new applicants</i>		6 months	
<b>Conditions for application</b>			
<i>Rate of decline in revenue</i>	A reduction of 30% or more in sales or monthly income due to the Recovery Movement Control Order (RMCO) for 2020 compared to the same months in 2019, e.g. September 2020 against September 2019.		
<i>Employer / employee</i>	<ol style="list-style-type: none"> <li>Employer and employee(s) are registered with and are contributing to SOCSO before <b>1 September 2020</b>.</li> <li>Employer has registered with Companies Commission of Malaysia (CCM) or local authorities before <b>1 September 2020</b>.</li> </ol>		
<i>Monthly salary of employee</i>	RM4,000 and below		

	Micro or Small	Medium	Large
<i>Retention of employees</i>	Employers are required to retain all employees who are receiving a salary of RM4,000 and below. However, the employer is allowed to reduce the working hours or salary upon mutual discussion and agreement between employee and employer.		
<i>How to apply</i>	The application is to be made by employers through the SOCSO PRIHATIN portal <a href="http://prihatin.perkeso.gov.my">http://prihatin.perkeso.gov.my</a> starting 1 October 2020.		
<i>Last day of application</i>	31 December 2020		
<i>Method of payment</i>	The payment is credited to the employer's account based on the number of eligible employees		

### Supporting documents

1. List of employees (according to the size of company)
2. Bank account details of employer (front page of bank statement only)
3. Business registration number that is registered with the bank upon opening the bank account in item 2 above
4. A copy of Certificate of Incorporation of Private Company (Form 9) / superform
5. WSP 2.0 declaration form

The onus to declare the reduction in revenue lies with the employer. Legal action can be taken against the employer for incorrect declaration.

### Non-qualifying employer / employee

The following are not eligible for WSP 2.0:

- Employer and employees who register and contribute to SOCSO after 1 September 2020.
- Employers or businesses which are registered with CCM, Registrar of Societies, Registrar of Businesses or local authorities, and in operation on or after 1 September 2020.
- Employers who are not registered with the Inland Revenue Board.
- Employees earning monthly salary of more than RM4,000.
- Terminated employees.
- Employees who are under PenjanaKerjaya - Hiring Incentive Programme.
- Employees who work in the public sector, statutory body, local authority, self-employed including freelancers.
- Expatriates and foreign workers.
- Employers who have withdrawn their WSP 2.0 application after submission of application is approved by SOCSO.

## Frequently Asked Questions (FAQs)

1. **Do employers which are currently receiving WSP 1.0 need to apply for WSP 2.0 if they would want to participate in WSP 2.0?**

A: Yes. Effective 1 October 2020, a fresh application is compulsory for the current employers receiving WSP 1.0 to apply for WSP 2.0 in the SOCSO PRIHATIN portal <http://prihatin.perkeso.gov.my> if they wish to participate.

2. **After WSP 2.0 has been approved, would the employer need to re-submit the application for subsequent months?**

A: The employer is not required to re-submit the application for the subsequent months. However, the employer is required to update SOCSO via the portal, if there are any changes to the status of business or number of eligible employees.

If there are any changes in the number of employees (increase / decrease), the employer would need to update SOCSO latest by the 15th day of the respective month.

3. **Can an employer who has been operating before 1 January 2020 but did not register with SOCSO be eligible to apply for WSP 2.0?**

A: Any employer who wish to apply and qualify must be registered with SOCSO, CCM or the local authorities before 1 September 2020 and hires a minimum of one employee.

4. **If an employer has received approval for WSP 1.0 in June 2020, can the employer still apply for WSP 2.0?**

A: Yes, the employer can still apply for WSP 2.0 if it meets the stated conditions.

5. **If the earlier WSP 1.0 application was rejected, can the employer still apply under WSP2.0?**

A: Yes, the employer can still apply if the conditions are met.

6. **How is a reduction of 30% or more revenue decline in sales or monthly income computed?**

The monthly sales figure in 2020 is compared with the figure of the same month in 2019. Examples are shown below:

Month	Sales / Monthly Income (RM)		% reduction
	2020	2019	
September	69,500	100,000	30.5%
August	78,000	120,000	35.0%

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