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## **Employment Insurance for Foreign Workers**

Employment Insurance System (Amendment of First Schedule) (No 2) Order 2018

The Employment Insurance System Act 2017<sup>[1]</sup> provides for the establishment of the Employment Insurance System to make available certain benefits and a re-employment placement programme for insured persons in the event of loss of employment.<sup>[2]</sup>

Although the Act came into force on 1.1.2018 and would have applied to foreign workers (not being a category exempted under the First Schedule), it was not implemented administratively as far as foreign workers were concerned.<sup>[3]</sup>

By the Employment Insurance System (Amendment of First Schedule) (No 2) Order 2018,<sup>[4]</sup> a foreign employee is now excluded from the application of the Act unless he is:

- (a) a non-citizen residing permanently in Malaysia who has been issued an identity card with the words “Pemastautin Tetap”;<sup>[5]</sup>
- (b) a person who lawfully enters Malaysia under a valid immigration pass or permit, is allowed to reside for a period of 12 months and above, and has been issued an identity card with the words “Pemastautin Sementara”;<sup>[6]</sup> or
- (c) a person who was born in Malaysia but whose citizenship status cannot be determined and has been issued an identity card with the words “Pemastautin Sementara”.<sup>[7]</sup>

The Order is deemed to have come into operation on 1.1.2018.

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If you have any queries, please contact the author or her team partner

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[1]

[Act 800]

[2]

Preamble to the Act

[3]

Malaysian Employers Federation's Circular No AG 02/2018: Employment Insurance System (EIS) dated 4.1.2018

[4]

PU(A) 355/2018

[5]

Which in English means "Permanent Resident", as described under para 5(3)(b) of the National Registration Regulations 1990: PU(A) 472/1990

[6]

Which in English means "Temporary Resident", as described under para 5(3)(c) of the National Registration Regulations 1990: PU(A) 472/1990

[7]

*Ibid*