# 2 - DAY MANAGING & PROCESSING PAYROLL IN MALAYSIA



## Introduction

Payroll is an organisation's financial records of employees' salary payments, bonuses and deductions. An organisation's payroll management is expected to adhere to the latest statutory obligations as they are subjected to law and regulations. Effective and efficient payroll management ensures payslips are properly prepared, salaries are paid and statutory returns completed.

Apart from Employment Terms and Conditions, this program will also highlight to participants the computation of EPF, SOCSO, EIS, HRD levy contributions and income tax deductions in compliance with the legal requirements in Malaysia. In addition, the Malaysian payroll system, up-keeping of payroll system and other statutory requirements will also be covered.

## **Course Objectives**

By the end of this course, you will be able to:

- Learn how to calculate pay based on employment terms and conditions according to the Employment Act 1955
- Have an understanding of termination and lay-off benefits and its computation
- Understand the computation of EPF, SOCSO, EIS, HRD levy contributions and income tax deduction
- Understand in detail the background and benefits of EPF, SOCSO, EIS, HRD levy contributions and income tax deduction
- Learn how to set up the payroll system and up-keeping of payroll system.
- To understand what are the year-end reports and statutory requirements

## Methodology

- Highly interactive, you will learn via PowerPoint presentations
- Presentations, groups discussion and worksheets
- Highly practical and experiential learning examples
- Lively discussions and informative Q&A sessions
- Highly informative and practical course notes for reference

#### **Who Should Attend?**

- Finance Managers/ Accountants
- Finance/ Accounts Executives
- Human Resource Managers/ Executives
- Administration
- Personnel Managers/ Executives
- Payroll Executives
- Anyone who's responsible for payroll processing

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#### **Course Outline**

#### **MODULE 1: DEFINITION OF PAYROLL**

#### **MODULE 2: TERMS & CONDITIONS**

- The Background
- **Definitions**
- · Casual Workers
- Temporary Employees
- Salary for Incomplete Months
- Ordinary Rate of Pay
- Notice Period and Termination
- Payment of Wages
- Annual Bonus
- · Deduction from Wages
- Advance to Employees
- · Pregnancy and Maternity
- · Paternity Leave
- Rest Day, Work on Rest Day
- Hours of Work
- Shift Work
- Holidavs
- Annual Leaves
- Sick & Hospitalisation Leaves

## MODULE 3: APPLICATION OF EMPLOYMENT **ACT**

#### **MODULE 4: PART TIME EMPLOYEES**

- Background
- Hours of Work
- Normal Overtime
- · Public Holidays
- Overtime of Public Holidays
- Annual Leaves
- Sick Leaves
- Rest Day
- · Rest Day Overtime
- Casual Employees

## **MODULE 5: EMPLOYMENT RELATED CALCULATIONS**

- Wage Periods
- Overtime on Public Holidays
- Normal Overtime
- Maternity Allowance
- Unpaid Leave
- Payment in Lieu of Notice
- · Payment for Annual Leave

## MODULE 6: APPLICATION OF EMPLOYMENT RELATED CALCULATIONS

#### MODULE 7: TERMINATION & LAY-OFF BENEFITS

## **MODULE 8: APPLICATION OF TERMINATION &** LAY-OFF BENEFITS

## **MODULE 9: EMPLOYEES PROVIDENT FUND** (EPF)

- Background
- Obligations on Employers and Employees
- · Rate of Monthly Contribution

## MODULE 10: SOCIAL SECURITY ORGANISATION (SOCSO)

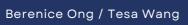
- Background
- 1st and 2nd Categories SOCSO Contributions
- Foreign Employees













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#### **Course Outline**

## **MODULE 11: EMPLOYMENT INSURANCE SYSTEM** (EIS)

- Background
- Application of EIS and Registration
- Contributions

## **MODULE 12: HUMAN RESOURCES DEVELOPMENT CORPORATION (HRDCORP)**

- Background
- Rate of HRD Levy
- Application of HRD Corp

#### **MODULE 13: INCOME TAX DEDUCTIONS**

- Background
- Employees' Residence Status
- Employee Category
- Definition of Remuneration in the Income Tax context
- Benefits-in-Kind (BIK)
- Value of Living Accommodation (VOLA)
- Allowable Deductions and Rebates under Income Tax Act
  - Compulsory Deductions
  - Optional Deductions
  - Optional Rebates
- · New Hires in the Company
- Additional Remuneration Formula
- Compensation for Loss of Employment
- Additional information on the Monthly Tax Deduction (MTD/PCB)

## MODULE 14: EMPLOYER'S RESPONSIBILITIES **SECTION 83 INCOME TAX ACT 1967**

## **MODULE 15: SETTING UP PAYROLL SYSTEM** AND UP-KEEPING

 Year End Reports and Statutory Requirements





