

# Analysing The SIP PRIHATIN Programme

## A Smaller-Scale, Yet Vital Complement to The Wage Subsidy Programme

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The SIP PRIHATIN Programme (SIP PRIHATIN), like the better-known Wage Subsidy Programme (PSU), is part of an array of initiatives launched by the Malaysian government to support the local workforce throughout the Covid-19 pandemic, which is already in its 3rd year. Nonetheless, there are important differences between SIP PRIHATIN and the PSU as outlined in the table below:

|                    | PSU  | SIP PRIHATIN   |
|--------------------|--|--|
| Objective          | Protecting livelihoods by paying wage subsidies to employers who would otherwise have retrenched staff                                   | Providing financial support to workers who lost their livelihoods during the pandemic; AND who are not eligible to receive normal Unemployment Benefits (UB) |
| Payment Recipients | <b>Employers</b><br>(Employees benefit indirectly by continuing to receive full wages)   | <b>Unemployed individuals</b><br>(Retrenched workers not eligible to receive UB, as well as individuals who were not in employment in the first place)       |
| Uptake             | <b>Higher</b><br>(RM20.3 billion disbursed to 357,041 employers with a combined 2.95 million employees under PSU 1.0, 2.0, 3.0, and 4.0) | <b>Lower</b><br>(RM72.3 million disbursed to 50,081 applicants under SIP PRIHATIN 1.0 and 2.0)   |

## Why is SIP PRIHATIN Important, Despite a Relatively Low Uptake?

SIP PRIHATIN's significance lies in its target audience: instead of protecting the livelihoods of workers who are still employed, the programme financially supports retrenched workers (and unemployed individuals) not eligible to receive UB, who are arguably much more vulnerable due to not being able to access conventional support schemes after experiencing a complete loss of income. Despite appearing to benefit far fewer individuals on paper compared to a massive programme like the PSU, SIP PRIHATIN undoubtedly made a huge, positive impact on the lives of successful applicants, who relied on the financial aid they received to purchase basic necessities and provide for their families.

### Who is Eligible for SIP PRIHATIN, and Why?

There have been 4 iterations of SIP PRIHATIN since it was first introduced on 1 January 2021, with the 2 latest iterations – namely, EMP+ for SOCSO Contributors and EMP+ for SOCSO Non-Contributors – running concurrently. The table below summarises the differences between different iterations of the programme:

| SIP PRIHATIN  | Eligibility  | Payment Rate and Duration  |
|---|--|--|
| <b>1.0</b><br>(1 January – 31 December 2021)  | Retrenched SOCSO contributors eligible to receive UB     | Additional 10 – 20% of assumed monthly salary for normal UB payment duration + 30% of assumed monthly salary for 3 additional months |
|   | Retrenched SOCSO contributors NOT eligible to receive UB | 30% of assumed monthly salary / month for 3 months   |
| <b>2.0</b><br>(15 July 2021 – 31 December 2021)                                       | Unemployed SOCSO non-contributors                        | RM300 / month for 2 months + RM400 one-off payment if successfully employed within 3 months of submitting application                |
| <b>EMP+ for SOCSO Contributors</b><br>(ongoing; continuation of SIP PRIHATIN 1.0)     | Retrenched SOCSO contributors eligible to receive UB     | Additional 10 – 20% of assumed monthly salary for normal UB payment duration + 30% of assumed monthly salary for 3 additional months |
|   | Retrenched SOCSO contributors NOT eligible to receive UB | 30% of assumed monthly salary / month for 3 months   |
| <b>EMP+ for SOCSO Non-Contributors</b><br>(ongoing; continuation of SIP PRIHATIN 2.0) | Unemployed SOCSO non-contributors                        | RM300 / month for 3 months + RM400 one-off payment if successfully employed within 4 months of submitting application                |

When SIP PRIHATIN 1.0 was introduced in January 2021, it was to extend support to retrenched SOCSO contributors who would not be eligible to receive UB in normal circumstances, but who were nonetheless struggling to cope financially. The government also demonstrated its commitment to relieving the economic hardships faced by the workforce by extending UB payments for an additional 3 months for existing UB recipients, who were taking more time than usual to find new employment due to a sluggish economy. Later that year, after taking public feedback into consideration, policymakers implemented SIP PRIHATIN 2.0, a similar programme offering financial aid and job search assistance to SOCSO non-contributors (e.g. fresh graduates, informally-employed workers) deemed the most vulnerable in an uncertain economic climate.

Although the economic outlook is much brighter in 2022 compared to 2020 and 2021, the government has not forgotten the plight of vulnerable retrenched and unemployed individuals who have yet to secure new employment for various reasons. For this reason, it launched the SIP EMP+ incentives for both SOCSO contributors and non-contributors on 1 January 2022, which are continuations of SIP PRIHATIN 1.0 and 2.0 respectively. As of 4 March 2022, RM2.279 million in financial assistance has been disbursed under both EMP+ incentives.

## Apply for SIP EMP+ Now

SIP EMP+ for SOCSO Contributors is accepting applications until 31 July 2021; while SIP EMP+ for SOCSO Non-Contributors is accepting applications until 31 December 2021. SOCSO encourages all individuals who may be eligible to apply for benefits before the stated deadlines. They may download the FAQs for each scheme via these links:

### SIP EMP+ for SOCSO Contributors



[https://www.perkeso.gov.my/images/bajet2022/sip/emplus/1-FAQ\\_SIP\\_EMP\\_KEPADA\\_PENCARUM\\_PERKESO\\_FINAL\\_v2\\_2.pdf](https://www.perkeso.gov.my/images/bajet2022/sip/emplus/1-FAQ_SIP_EMP_KEPADA_PENCARUM_PERKESO_FINAL_v2_2.pdf)

### SIP EMP+ for SOCSO Non-Contributors



[https://www.perkeso.gov.my/images/bajet2022/sip/emplus/110122-\\_FAQ\\_SIP\\_EMP\\_KEPADA\\_BUKAN\\_PENCARUM.pdf](https://www.perkeso.gov.my/images/bajet2022/sip/emplus/110122-_FAQ_SIP_EMP_KEPADA_BUKAN_PENCARUM.pdf)