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EMPLOYER'S CIRCULAR NO. 7 / 2018
CESSATION OF THE AMOUNT OF 30 PER CENT KUMPULAN WANG PEMBANGUNAN
SUMBER MANUSIA LEVY DEDUCTION INTO THE KWPSM CONSOLIDATED FUND

1.0 PURPOSE

The purpose of this Circular is to inform registered employers on the cessation of the amount of 30 per cent Kumpulan Wang Pembangunan Sumber Manusia ("KWPSM") levy deduction into the KWPSM Consolidated Fund.

2.0 BACKGROUND

- 2.1 The implementation of the 30 per cent levy deduction towards the KWPSM Consolidated Fund was initiated through an announcement by the former YAB Prime Minister of Malaysia in his 2016 Budget Speech.
- 2.2 In line with the mentioned announcement, as of 1 April 2016, 30 per cent of registered employers' monthly KWPSM levy contribution was annexed as a Consolidate Fund, enabling KWPSM to implement various strategic human capital initiatives. KWPSM registered employers were informed on this implementation through Employers' Circular No. 2/2016, dated 19 May 2016.
- 2.3 In line with recent developments, the implementation of several human capital strategic initiatives under the KWPSM Consolidated Fund was suspended effective 12 June 2018. KWPSM registered employers were informed on this suspension through Employers' Circular No. 3/2018.

3.0 CESSATION OF THE 30 PER CENT KWPSM LEVY DEDUCTION

- 3.1 Following the above-mentioned suspension, Pembangunan Sumber Manusia Berhad's ("PSMB") Board of Directors conclusively decided to discontinue the 30 per cent KWPSM levy deduction of registered employers towards the KWPSM Consolidated Fund in October 2018.
- 3.2 Following this decision, the Minister of Human Resources, YB M. Kula Segaran, made a public announcement on this resolution during the KWPSM Town Hall for Employer Associations and Registered Employers, held in Kuala Lumpur on 10 November 2018.
- 3.3 The balance fund from the Consolidated Fund will be utilised for the implementation of several strategic human capital initiatives with enhanced mechanisms, which will soon be announced to registered employers.

4.0 EFFECTIVE DATE

- 4.1 The final 30 per cent of registered employers' KWPSM levy deduction towards the KWPSM Consolidated Fund will be for the month of October 2018.
- 4.2 KWPSM registered employers can now utilise 100 per cent of their KWPSM levy contribution from the month of November 2018 onwards for the human capital development initiatives of their local employees.

5.0 CLOSING

- 5.1 KWPSM registered employers are encouraged to effectively and efficiently utilise their KWPSM levy contribution, to continuously support the growth of our local human capital.
- 5.2 Should you require further clarification on this matter, kindly contact our Call Centre at toll-free 1800-88-4800 or email us at support@hrdf.com.my.

Thank you.

PEOPLE, PROWESS, PROGRESS
SAYANGI MALAYSIAKU

Regards,



BLANJELIAN VENUGOPAL
Chief Executive
Pembangunan Sumber Manusia Berhad