

Minimum Wages Order 2022 Gazetted

The **Minimum Wages Order 2022** [P.U.(A) 140/2022] ('MWO 2022') was gazetted on 27 April 2022. The provisions of the MWO 2022 will come into operation in three phases as explained below.

1.0 Increase in minimum wages from 1 May 2022

The provisions of this Part 1.0 shall apply to an employee employed by:

- a. an employer who employs five or more employees; and
- b. regardless of the number of employees employed, an employer who carries out a professional activity classified under the Malaysia Standard Classification of Occupations (MASCO)¹ as published officially by the Ministry of Human Resources ('MASCO employer').

Commencing 1 May 2022, the minimum wage rates payable to an employee is as follows:

| Minimum wages rate | | | | |
|--------------------|----------------------------------|---------|---------|--------|
| Monthly | Daily | | | Hourly |
| RM1,500 | Number of working days in a week | | | RM7.21 |
| | 6 | 5 | 4 | |
| | RM57.69 | RM69.23 | RM86.54 | |

For an employee who is not paid basic wages but is paid wages based only on piece rate, tonnage, task, trip or commission, the rate of monthly wages payable to that employee with effect from 1 May 2022 shall not be less than RM1,500.

2.0 Increase in minimum wages from 1 January 2023

The provisions of this Part 2.0 shall apply to an employee employed by an employer who employs less than five employees other than a MASCO employer.

Commencing 1 January 2023, the minimum wage rates payable to an employee is as follows:

| Minimum wages rate | | | | |
|--------------------|----------------------------------|---------|---------|--------|
| Monthly | Daily | | | Hourly |
| RM1,500 | Number of working days in a week | | | RM7.21 |
| | 6 | 5 | 4 | |
| | RM57.69 | RM69.23 | RM86.54 | |

For an employee who is not paid basic wages but is paid wages based only on piece rate, tonnage, task, trip or commission, the rate of monthly wages payable to that employee with effect from 1 January 2023 shall not be less than RM1,500.

3.0 Minimum wages from 1 May 2022 to 31 December 2022

The provisions of this Part 3.0 shall apply to an employee employed by an employer who employs less than five employees other than a MASCO employer.

For the period from 1 May 2022 to 31 December 2022, the minimum wage rates payable to an employee according to the place of employment area is as follows:

| Area | Minimum wages rate | | | |
|---|--------------------|----------------------------------|---------|--------|
| | Monthly | Daily | | Hourly |
| | | Number of working days in a week | | |
| City Council or Municipal Council Area | RM1,200 | 6 | RM46.15 | RM5.77 |
| | | 5 | RM55.38 | |
| | | 4 | RM69.23 | |
| Other than City Council or Municipal Council area | RM1,100 | 6 | RM42.31 | RM5.29 |
| | | 5 | RM50.77 | |
| | | 4 | RM63.47 | |

For an employee who is not paid basic wages but is paid wages based only on piece rate, tonnage, task, trip or commission, the rate of monthly wages payable to that employee according to the place of employment area from 1 May 2022 to 31 December 2022 shall not be less than the following rates:

| Area | Rate |
|---|---------|
| City Council or Municipal Council area | RM1,200 |
| Other than City Council or Municipal Council area | RM1,100 |

For the purposes of Part 3.0 hereof:

- ‘City Council or Municipal Council area’ is any area declared or established as City Council or Municipal Council areas under the Local Government Act, Local Government Ordinance 1961 (Sabah) or Local Authorities Ordinance 1996 (Sarawak), or Putrajaya or Labuan; and
- ‘place of employment’ has the meaning assigned to it in section 2(1) of the Employment Act 1955, section 2(1) of the Sabah Labour Ordinance and section 2(1) of the Sarawak Labour Ordinance.

4.0 Non-Application and Revocation

The MWO 2022 does not apply to a domestic servant as defined under section 2(1) of the Employment Act 1955, section 2(1) of the Sabah Labour Ordinance and section 2(1) of the Sarawak Labour Ordinance.

The Minimum Wages Order 2020 [P.U.(A) 5/2020] is revoked by the MWO 2022.

Comments

In summary, commencing 1 May 2022, the minimum wages in Malaysia for employees employed by an employer who employs five employees or more and those employed by a

MASCO employer regardless of the number of employees employed, will increase to RM1,500 per month from the present minimum monthly wage of RM1,200 (for places of employment within a City Council or Municipal Council area) and RM1,100 (for places of employment within a City Council or Municipal Council area).

An employee who is employed by an employer who employs less than five employees (other than those employed by a MASCO employer) will continue to earn a minimum monthly wage of RM1,200 (for places of employment within a City Council or Municipal Council area) and RM1,100 (for places of employment within a City Council or Municipal Council area) until 31 December 2022. After that, his minimum monthly wage will increase to RM1,500 and thereby align the minimum wage for employees employed in Malaysia.