MASTER BUILDERS ASSOCIATION MALAYSIA
PERSATUAN KONTRAKTOR BINAAN MALAYSIA
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The Prime Mover and the Recognised Voice of the Malaysian Construction Industry
MBAM

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TO: MBAM MEMBERS
DATE: 16 July 2026
REF: MBAM/25/01/2026/07/16/80

Dear Members,

PERKESO Compliance Advisory: Lindung 24 Jam & Vacancy Reporting

On 15 July 2026, the **Master Builders Association Malaysia (MBAM)** was invited to participate in a Roundtable convened by PERKESO. The following highlights are provided for members' attention.

The *Lindung 24 Jam* scheme was established to provide extended protection for employees beyond working hours, covering accidents that occur outside the course of employment.

On **1 June 2026**, Parliament mandated participation in *Lindung 24 Jam*. However, following Cabinet approval, effective **8 July 2026**, the scheme was made **optional for local employees**, requiring local employees who do not wish to participate may opt out via PERKESO's online portal. Contributions for **foreign workers remain mandatory**. Employees who wish to opt out must submit their application online no later than **31 August 2026.**

PERKESO manages approximately **10 million members**. Transitioning from mandatory to optional participation within a short period required significant system adjustments. Anyhow, the organization reaffirmed its commitment to effectively manage the surge in opt-out requests.

Statistics highlight the scale of coverage:

- A total of **463,000** individuals are presently receiving monthly reimbursements or allowances from PERKESO, payable until decease in accordance with approved claims.
- Within the first day of implementation *Lindung 24 Jam*, three claims were already lodged.

***Lindung 24 Jam* Contribution Rates and Progression**

PERKESO's *Lindung 24 Jam* scheme is specifically designed to cover *non-employment accidents* (personal accidents). The contribution rates under *Lindung 24 Jam* follow a progressive schedule, with all phases subject to a salary ceiling of RM6,000:

- ✓ **Phase 1 (Year 1–2):** Contribution rate 0.75% of monthly wages
- ✓ **Phase 2 (Year 3–5):** Contribution rate increases to 1.0%.
- ✓ **Phase 3 (Year 6 onwards):** Contribution rate rises to 1.25%.

- **Contribution is borne solely by the employee**, and does not involve employer

- **Once Opt-In cannot Opt-Out (once in, always in)**

Once an employee has opted in, withdrawal is not permitted - contributions must continue, including changes of employment.

Implementation Timeline

- **June 2026**: Mandatory participation and contribution.
- **08 July 2026 onwards**:
  Participation is optional, and any **refunds**, if applicable after this, will be processed by the **employers**
- **31 August 2026**: Final deadline for opt-out submissions via online portal.
- Optional for local employees; mandatory for foreign workers who are legally bound to comply with government rules.

  Sustainability of the scheme relies on the **law of large numbers**, **accident probability ratios, and the persistency of contributions**. To uphold these actuarial principles, PERKESO enforces the rule that once an employee opts in, they cannot subsequently opt out. This ensures a stable risk pool, consistent contribution flow, and equitable distribution of benefits across all members in long run. Full voluntary participation risks destabilizing the system if persistency ratios decline, hence the emphasis on long-term commitment once opted in remains essential.

Lindung *24* Jam Benefits and Reimbursements

PERKESO's reimbursements are assessed under the **Employees' Social Security Act 1969 (Act 4)**, generally aligned with government fee schedules.

Key benefits include:

- **Temporary Disablement Benefit**

  Daily wage replacement is payable when a contributor is medically certified unfit to work due to a non-work accident, based on medical leave issued.

- **Permanent Disablement Benefit**
  Paid either as a monthly pension or a lump sum, depending on severity and regulations. The amount is determined based on the contributor's wages and the percentage of disablement assessed under the prescribed calculation formula.

- **Medical treatment & surgical costs**
  Aligned with government fee schedules

- **Implant costs**

  A significant portion of early payouts may be applied to cover implant costs.

- **Dependant's Benefit**

  It provides a monthly pension to eligible survivor (spouse, children, or parents) upon the decease of the insured person.

- **Funeral Benefit**

- **Constant Attendance Allowance**

  Certified by PERKESO's medical board as permanently disabled. cannot manage daily living independently. Allowance for severely disabled requiring daily care.

- **Rehabilitation services**

  Aim to help contributors recover and regain their ability to work

- **No underwriting involved**

  Participation in the scheme does not require any underwriting process.

Continuing from the Roundtable discussion, the second section highlights the requirement for employers to report job vacancies to PERKESO, together with the legislative amendments under the Employment Insurance System (EIS) Act 2017 (Act 800) – Amendment 2025.

Report Vacancies to PERKESO

Effective **30 June 2026**, following its approval by the **Dewan Rakyat**, all employers in Malaysia are mandated under Section 45F of the Employment Insurance System Act to report job vacancies to the Social Security Organisation (PERKESO). This requirement applies across all industries and covers every level of employment, from entry-level positions to senior management roles.

The reporting must be done through the **MYFutureJobs portal**, PERKESO's official employment platform. The initiative is designed to enhance labour market transparency, facilitate job matching, and ensure retrenched workers and job seekers have access to updated employment opportunities.

Legislative Amendments:
Employment Insurance System (EIS) Act 2017 (Act 800) – Amendment 2025

The enhancements approved by the Dewan Negara in March 2026, following earlier passage in the Dewan Rakyat, introduced **progressive penalties** for non-compliance escalating from **RM1,000 to RM3,000 and subsequently RM5,000**.

Expatriates → Mandatory 14-day advertisement on MYFutureJobs before EP application.
Local employees → Mandatory vacancy reporting under Section 45F (effective 30 June 2026), but **no 14-day advertising rule**.

As being informed in the Roundtable, this Act is introduced to enhance workers' benefits in the event of job loss, encompassing both living assistance and training opportunities.
The necessity of such measures was evident during incidents such as the COVID-19 pandemic.

A progressive penalty mechanism will be applied, rather than a flat penalty, with the purpose of encouraging compliance without imposing undue burden. The objective is to foster cooperation and workable solutions in the interest of both parties.

Prior to the imposition of any penalty, PERKESO will undertake the following measures:

i) **Advocacy and leadership sessions**
ii) **Issuance of reminders and notices**
iii) **Provision of an opportunity for rectification**.

JOB REPORTING CRITERIA SECTION 45F

MUST BE REPORTED

- Graduate positions
- MASCO groups 1–4 (Managers, Professionals, Technicians and Associate Professionals, Clerical Support Workers)
- Positions with foreign worker salaries (all MASCO groups)
- Positions with a monthly salary of RM4,000 and above

EXEMPTED

- Manufacturing sector: Fewer than 75 employees
- Non-manufacturing sectors: Fewer than 30 employees
- MASCO groups 5–9
- Domestic employment in private residences
- Temporary or short-term contract positions (duration not exceeding 3 months)

Clarification for Reporting: Although exempted, positions related to industrial training (internships) are strongly encouraged to be reported through MYFutureJobs.

The imposition of penalties is currently in progress to secure final approval. The earliest implementation is targeted for September 2026, with the latest by January 2027, subject to official confirmation.

Attached herewith are the detailed PERKESO slides for members' reference, together with the link provided during the Roundtable. Members may raise any related issues through this channel.

https://forms.office.com/pages/responsepage.aspx?id=B23f2uG8vkC2NSLQ7dLhh2FowsU090BPuCgIIXP-guZUMkVCSjVVT1lVOUZWRk9HNlAyV0M1UVFXNi4u&origin=QRCode&qrcodeorigin=presentation&route=shorturl

Members are reminded that compliance with PERKESO's Lindung 24 Jam and vacancy reporting is both a statutory duty and an industry responsibility. Timely submissions and accurate reporting will safeguard employers against penalties and reinforce good governance practices.

Thank you.

Yours faithfully,
MASTER BUILDERS ASSOCIATION MALAYSIA

LOH MEI LING AMN
Executive Director