

Mastering Payroll Skills under Employment Act 1955

Legal Compliance, Statutory Duties & Salary Calculations

HRD Corp Claimable (SBL-Khas)

In today's dynamic business environment, accurate and compliant payroll management is not just a necessity but a strategic advantage. This intensive two-day programme is designed to equip you with a comprehensive understanding of payroll beyond fundamentals, with a sharp focus on the Employment Act 1955 and the statutory duties that govern payroll in West Malaysia.

Whether you are a new payroll administrator, an HR professional, or simply looking to deepen your knowledge, this programme will provide you with the essential skills to navigate complex wage calculations, ensure legal compliance, mitigate risks, and streamline your payroll processes and to enable you to have better control over and relationship with the payroll outsourcing business partner.

Through interactive sessions, practical case studies, and engaging group exercises, you will gain the confidence to manage payroll effectively, ensuring fairness, accuracy, and adherence to all statutory requirements.

Objective

Upon completion of this programme, participants will be able to:-

- Acquire clear understanding what allowances are wages and what are not.
- Gain a clear view of Payroll Management Concepts and the Role of a Payroll Professional and Specialist.
- Understand payroll risks and fraud.
- Understand the laws that impact payroll calculation, specifically the Employment Act 1955 (EA) and related statutory requirements

Course Requirement

- Stable Internet Connection
- Webcam and Earphones

Course Content

Module 1: Introduction to Payroll Management

- What is Payroll?
- Laws affecting Payroll Management
- Key terminologies used in payroll
- Human Resource functions and their relationship with payroll
- Payroll philosophy and reporting
- Roles and Responsibilities of the Payroll Administrator
- Types of Payroll Systems
- Effective Payroll Department/Office Management

Module 2: Compliance with the Employment Act 1955

- The Employment Act 1955 and its application in West Malaysia
- Coverage under the First Schedule - employees earning up to RM4,000 per month and manual labour regardless of wage
- Contract of service vs contract for services and labour laws
- Essential definitions for payroll:
    - "Wages" under the EA, and confusion over wages and allowances
    - "Hours of Work"
    - "Normal Hours of Work", "Spreadover Period", "Break" and Overtime
- Ordinary Rate of Pay (ORP) and Hourly Rate of Pay (HRP)
- Minimum Wages Order (current) and guaranteed minimum days of pay
- Treatment of wages for monthly vs non-monthly rated employees

Module 3: Payroll Risks, Fraud Prevention, Security, and Controls

- Introduction to the payroll cycle, tasks, importance and risks
- Payroll fraud and prevention
- Overtime controls and self-checking payroll
- Confidentiality of payroll information
- Identifying risks in the payroll cycle
- Implementation and evaluation of payroll controls
- Internal payroll audit

Module 4: Wage Entitlement, Calculations and Formulas in Practice

- Payable and non-payable days and time
- Calculating wages for incomplete month and non-payable days
- Calculating for normal overtime work
- Calculating unpaid absence, unpaid time off, lateness, unauthorised early departure
- Calculating wages of daily-rated employees
- Calculating termination and lay-off benefits
- Calculating indemnity in lieu of notice period

Module 5: Working Time and Breaks

- Working days, working hours and break time – limitations and regulations, differentiating paid and unpaid break time.
- Rest day entitlement, payments and control; paid and unpaid rest day and replacing rest days.

Module 6: Leave and Holidays

- Annual leave entitlement calculation, pro-rating, encashment, forfeiting annual leave.
- Statutory limitation on cost of free medical benefit, acceptable and unacceptable/ rejecting sick leave, cross-calendar year sick leave entitlement

- Calculating payment for work on compulsory and non-compulsory public holidays; forfeiting public holiday pay; replacement of public holidays
- Calculating unpaid leave, emergency leave, absence, and treatment of quarantine leave
- Paid maternity leave entitlement (98 days); maternity allowance entitlement; extended maternity leave; maternity allowance for ex-employee; forfeiting allowance; maternity register, payment for working during maternity leave
- Paternity leave entitlement, successive births and payment for working during paternity leave.

Module 7: The Four Categories of Lawful Deductions

- Limitations on deductions
- Unlimited deductions
- Recovery of monies owing to the co. that may not be deducted lawfully.

Module 8: Advances on Wages and Limitations

- Allowable advance of one month
- Allowable advance of more than one month
- Limitations against advances
- Charging interest and loans

Module 9: Termination, Resignation, Dismissal and Retrenchment (Process & Legal Aspects)

- Understanding different types of employment cessation
- Legal requirements for notice periods and termination under the EA
- Documentation and administrative procedures for termination
- Handling final payments and outstanding leave and other benefits
- Notice period rules, unauthorised absence during notice period, abscondment, garden leave, calculation of indemnity in lieu, and unrecovered outstanding indemnity

Module 10: Payroll Outsourcing and Corporate Integration

- Outsourcing arrangements and responsibilities
- Integration with finance and accounting records
- Payroll reporting and measurements
- Employee records and audit procedures
- Compliance with accounting and regulatory norms

Module 11: Obligations in Payroll – PCB, EPF, SOCSO and EIS

- Understanding the PCB (Potongan Cukai Bulanan) mechanism and framework
- Categories of employees subject to PCB and PCB calculation
- Essential LHDN forms to submit
- EPF, SOCSO and EIS contributions and employer obligations and essential forms

When & Where	Who Should Attend	Training Investment
12 & 13 April 2027 (Mon & Tues) 9.00 am to 5.00 pm **Remote Online Training – Zoom**	Payroll Specialists, Compensation & Benefits Specialists, Finance Personnel, HR Personnel and anyone who is involved in payroll	**RM 1,500** per participant (inclusive of Service Tax, Online Course Materials, E-Certificate of Attendance) 🔥 **Group Promo: Save 15%** Register min. 3 pax for **RM 1,275** per pax (Normal Rate: RM 1500)

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Trainer's Profile

Dr. Chan Wang Tak

Current:-

- Author of "400 Q&A on the Practice of Malaysian Labour Laws"
- Recognized Pakar Industry Negara by JPK Malaysia
- HR Consultant for MNCs, GLCs, SMEs
- Elected Council Member of Malaysian Inst of Human Resource Management
- Lecturer for Certified HR Manager training program
- HRDF certified trainer for HR Management and other soft skills courses
- Trains in 3 languages
- Certified RPL assessor

Formerly:-

- Industrial Court Panel Member
- Group HR Manager of public listed company
- HR Manager of semiconductor company
- Guest lecturer at pvt university

Experience:-

- Represent client at labour court
- Develop salary structure, perform salary review for clients
- Conduct TNA and HR Audit
- Review, revise HR polices and contract of service, write HR policy manual & employee handbook
- Reorganizing and re-training HR Dept for client
- Set up training department for client on turnkey handover basis.
- Negotiate collective agreement

Register HERE

Other Programmes HERE



Contact Us

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