

Socso payout to reflect current economic trend

Saravanan: Minimum pension rate to also increase from Jan 1, 2023

PUTRAJAYA: The Social Security Organisation (Socso) will implement adjustments in the cost of living for existing recipients of scheduled benefits and an increase in the minimum pension rate under its Invalidity Scheme effective Jan 1, 2023.

Human Resources Minister Datuk Seri M. Saravanan said this initiative was implemented following the International Labour Organisation's (ILO) 11th Actuarial Assessment Study, by taking into consideration the current social and economic conditions in Malaysia after the Covid-19 pandemic, the higher cost of living and the increase in inflation rate.

"The adjustment in Socso regular benefit payments is expected to benefit more than 400,000 existing recipients and will involve an estimated expenditure totalling RM213mil," he said yesterday, Bernama reported.

He said Socso benefits under the Employees Social Security Act 1969 (Act 4), which were paid on a periodic basis, covered Invalidity Pension and Survivors' Pension under the Invalidity Scheme and Permanent Disablement and Dependents' Benefits under the Employment Injury Scheme.

Saravanan said that so far, adjustments to the cost of living for Socso regular benefit payments had been made 10 times under the Invalidity Scheme since 1982 and 12 times under the Employment Injury Scheme since 1977.

He said the adjustment rate in the cost of living for the recipients of Socso scheduled benefit payments was between 0.7% and 9.4% depending on the year the pension was received.

Saravanan also said the minimum pension rate under the Invalidity Scheme of Act 4 would be increased from RM475 to RM550 a month.

"The increase in this minimum pension rate is expected to benefit about 56,000 households in the country to help address the increase in the cost of living, involving an allocation of RM21mil," he said.

Meanwhile, Saravanan also announced the appointment of Datuk Seri Subahan Kamal as the Socso chairman, effective Oct 4.

The 57-year-old Subahan replaces Prof Tan Sri Dr Mohamed Haniffa, who held the post for over two years and three months before being appointed as a senator on Sept 26.

Saravanan said Subahan's experience, knowledge and professionalism were assets that would give the organisation a huge lift in continuing the comprehensive social security protection expansion agenda without marginalising any Malaysian.

In his statement, the minister also expressed his appreciation to Prof Mohamed Haniffa for his contributions and service for the past 27 months as chairman of the Socso board.