

CCS Insights: Covid-19 Remuneration Revision Notice

PREPARED BY: CHIN CHEE SENG
SEE BEYOND THE NUMBERS



[To be issued under company's letterhead]

Date: [**]

Private and Confidential

[Employee's Full Name]
[Present]

Dear Mr/Ms. [**],

**Movement Control Order
- Notice on Revision of Remuneration**

We refer to the above matter.

As you are aware, the Malaysian Government has recently imposed a Movement Control Order (“**Order**”) for a period of 4 weeks effective from 18 March 2020 until 14 April 2020 (“**MCO Period**”). As a result, our company has ceased operation and forced closure (fully or partially) during the MCO Period. The Coronavirus (Covid-19) outbreak and the implementation of the Order has significantly exposed our company to a financial difficulty.

In compliance with the guidelines issued by the Malaysian Ministry of Human Resources and following our management’s careful deliberation, we hereby propose the following revision (“**Revision**”) to your remuneration during the MCO Period:

Option 1

You may agree to a reduction of your remuneration (pro-rata) during the MCO Period as follows:

- (i) Your monthly salary shall be revised from RM[**] to RM[**].
- (ii) Your monthly allowance shall be revised from RM[**] to RM[**].

Option 2

You are allowed to take **half-paid leave**, during the MCO Period as follows:

- (iii) Your monthly salary shall be revised from RM[**] to RM[**] (being a half pay-cut).
- (iv) Your monthly allowance shall be revised from RM[**] to RM[**](being a half pay-cut).

The balance of your salary amounting to RM[**] and allowance amounting to RM[**] during the MCO Period, shall be payable to you when the company has resumed its business and its cash flow is in stable condition, but in any event not later than [**].



Option 3

You are allowed to take **unpaid leave** (no salary and no allowance) during the MCO Period. Your annual leave entitlement shall not be affected and such period will not be deducted from your normal annual leave entitlement pursuant to your employment engagement with us.

Option 4

You are allowed to take **annual leave** during the MCO Period. This period (excluding public holidays) will be paid as the normal annual leave entitlement and will be deducted from your accrued annual leave balance accordingly. If your accrued annual leave balance is not enough to cover the MCO Period, we will further discuss the options available to you for this period.

[Note: Employer to choose the relevant applicable Option and remove the other Option, prior issuing this letter.]

In the event the MCO Period has been extended by the Government to a further period, you agree that the Revision shall apply and effective until the expiry of the MCO Period.

This letter serves to revise your monthly salary, monthly allowance and workings hours during the MCO Period. All other terms of employment under your employment letter shall remain unchanged. If you have any questions about this letter or would like to discuss this matter further, please do not hesitate to contact Mr/Ms. [**] on [**].

Should you accept the terms of this letter, please indicate your acceptance by signing at the space provided below and returning the duplicate copy of this letter to us. Your signature on this letter indicates your formal acceptance of the terms and conditions set out herein and your signed copy of this letter will be kept with the company for file record purposes.

We hope you understand that the company is doing its best to overcome the current crisis. Once again, we thank you for your support to the company and your understanding is much appreciated.

Yours faithfully,
for and on behalf of
[**]

.....
[Name]
Director

I, [**], have read and understood this letter and willingly accept the above terms governing my employment with the company during the MCO Period.

.....
Signature
Date:



For further consultation, please contact:

Chin Chee Seng

Partner

+6012 365 4331

cschin@ccs-co.com

Jared Low

Audit Manager

+6018 763 4813

jared@ccs-co.com

Wong Woei Teng

Audit Manager

+6017 237 8233

woeiteng@ccs-co.com

Vivian Lim

HR Manager

+6012 618 6220

vivian@ccs-co.com

Yap Huey Shan

Assistant Audit Manager

+6012 369 7222

hueyshan@ccs-co.com

CCS & Co

© 2020 CCS. All rights reserved. Not for further distribution without the permission of CCS & Co. "CCS" refers to the network of member firms of CCS & Co. The information contained in the slides represents the views of CCS and does not constitute the provision of professional advice of any kind. The information contained in the slides is based on our interpretation of existing legislation as at the published date. While CCS makes reasonable efforts to provide information which we believe to be reliable, we make no representations or warranties that the information provided is complete, accurate, up to date or non-misleading. The information provided herein should not be used as a substitute for consultation with professional advisers. Before making any decision or taking any action, you should consult a professional adviser who has been provided with all the pertinent facts relevant to your particular situation. No responsibility for loss occasioned to any person action or refraining from action as a result from using the information in the slides can be accepted by CCS.