

# SQL PAYROLL E-HANDBOOK

Employee Onboarding Guideline





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# Introduction



Account

Payroll

# WHY CHOOSE SQL PAYROLL ?

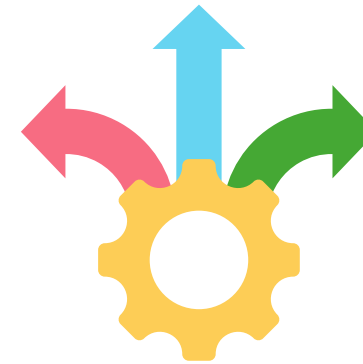
1



## QUICK AND EASY MONTHLY PAYROLL PROCESSING

Enjoy speedy payroll processing and view each earning breakdown with an intuitive screen display and virtually keep unlimited payroll history.

2



## FLEXIBLE AMENDMENT

Edit payroll processes anytime anywhere with SQL Payroll software. Experience accurate, real time recalculations of statutory contributions.

3



## COMPLIANT TO ALL LOCAL LEGISLATION

SQL Payroll is compliant to all Malaysian statutory bodies like KWSP, LHDN and SOCSO. Our system saves you the trouble by auto calculating EPF, SOCSO, EIS, HRDF and PCB contribution. To ensure flawless calculations, our PCB calculator comes with the latest contributions rates.

4



## BANK GIRO ELECTRONIC PAYMENT MORE THAN 25 MALAYSIA BANKS

Make salary payments via electronic submissions. More than 25 Malaysia banks including Maybank, Hong Leong Bank, CIMB Bank, Public Bank can be used to perform bank giro on SQL Payroll Malaysia software.



# WHY CHOOSE SQL PAYROLL ?

5



## PENDING PAYROLL TRANSACTIONS

Enter overtime, claims, allowances, bonus, leaves, tax benefits, and other deductions in advance and incorporate it later on into the final payroll for that particular month

6



## UNLIMITED MONTH END PROCESS

Process multi month ends by groups. You can process separate month end for different groups of employees

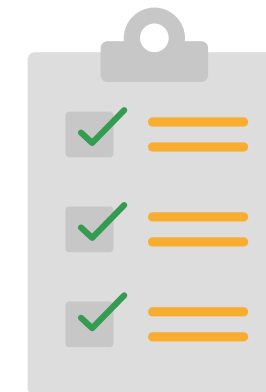
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## COMPREHENSIVE MANAGEMENT REPORT

Our wide variety of customizable reports and payslips allow you to create the ideal report that truly represents your corporate identity and business nature

8



## FORM EA AND BORANG E, CP 8D

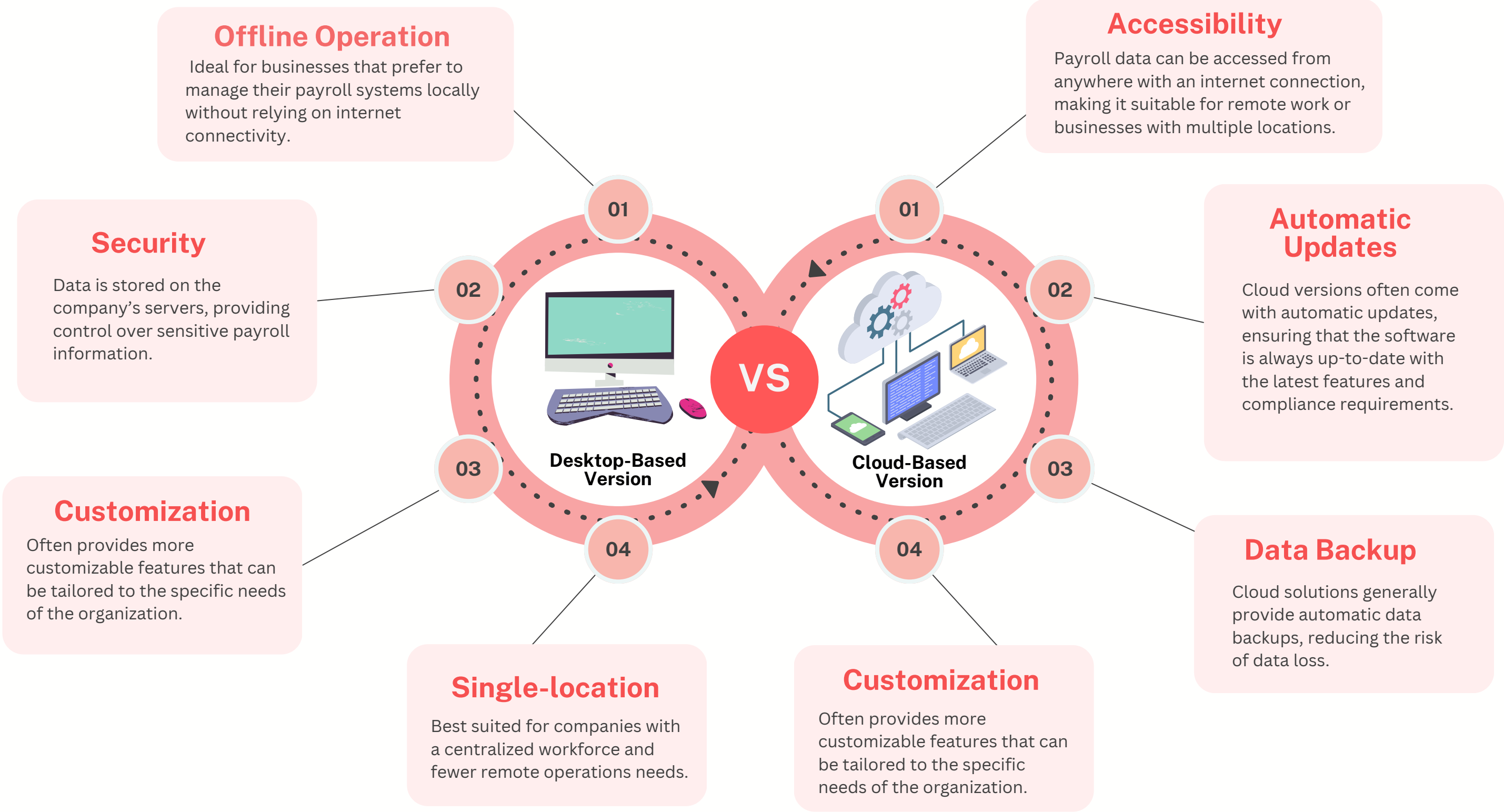
Generate employee forms EA and employer form E and also perform e-submission with SQL Payroll

**NOTE :** SQL Payroll is a compliance and certified payroll software by LHDN

<https://www.hasil.gov.my/media/jj0amwog/payroll-vendor-and-employer-2024.pdf>

# Comparison between Desktop Based & Cloud Based

SQL Payroll is a versatile payroll software that offers both desktop-based and cloud-based solutions to cater to different client needs. Here is a breakdown of the options:



By providing both options, SQL Payroll caters to a wide range of businesses, from those that need a more traditional, secure desktop setup to those that benefit from the flexibility and accessibility of cloud-based solutions.



# SQL € Leave / HRMS App

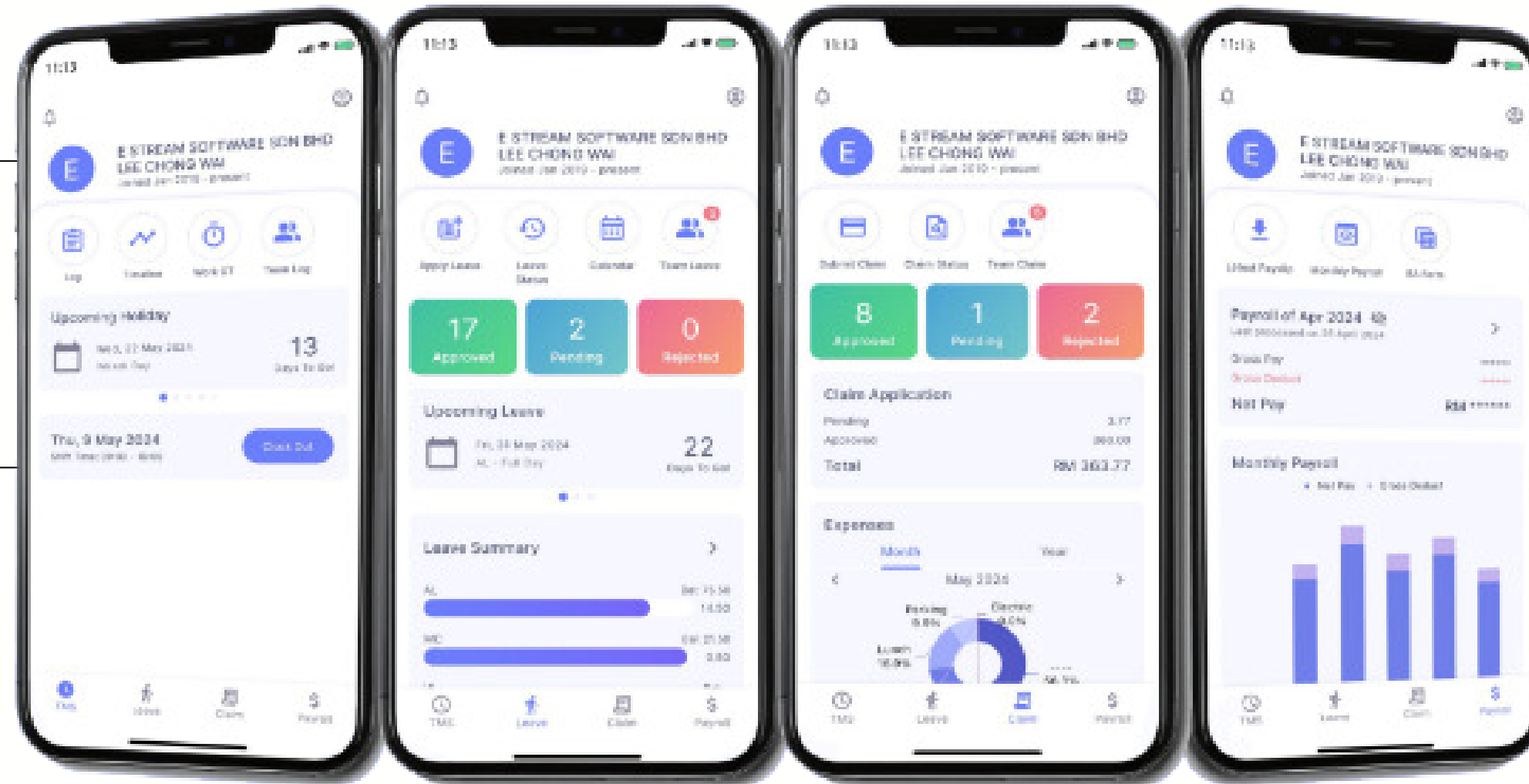
Transform your HR management with SQL HRMS Mobile App

## Effortless Team Management

Manage time attendance, clock in/out, leave status, expense claims, payslips, and EA forms.

## Comprehensive Overview

Track and review employee activities and attendance records.



## Improved Workflow

Identify potential issues and enhance workflow planning

## Real-Time Updates

Stay informed with real-time attendance records and insights.

## Future of Work Management

Experience modern, efficient HR management with SQL HRMS.

Modules:

E TIME ATTENDANCE

E LEAVE

E CLAIM

E PAYROLL

EMPLOYEE



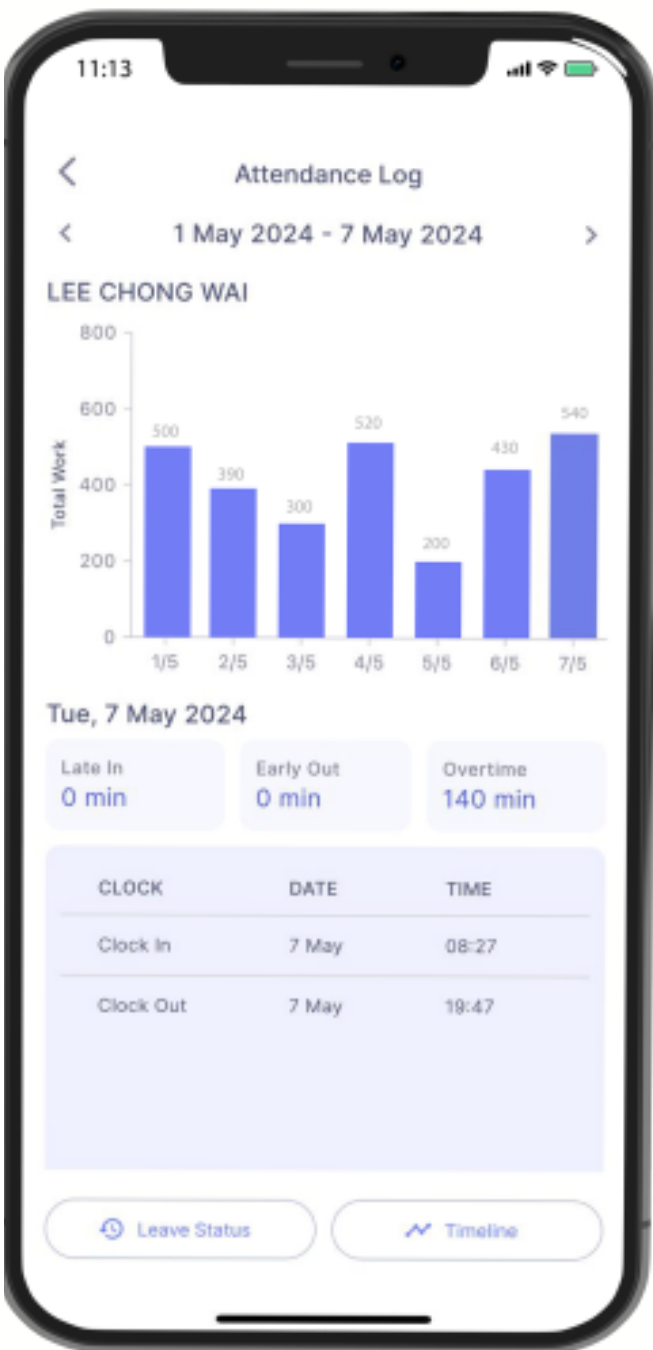
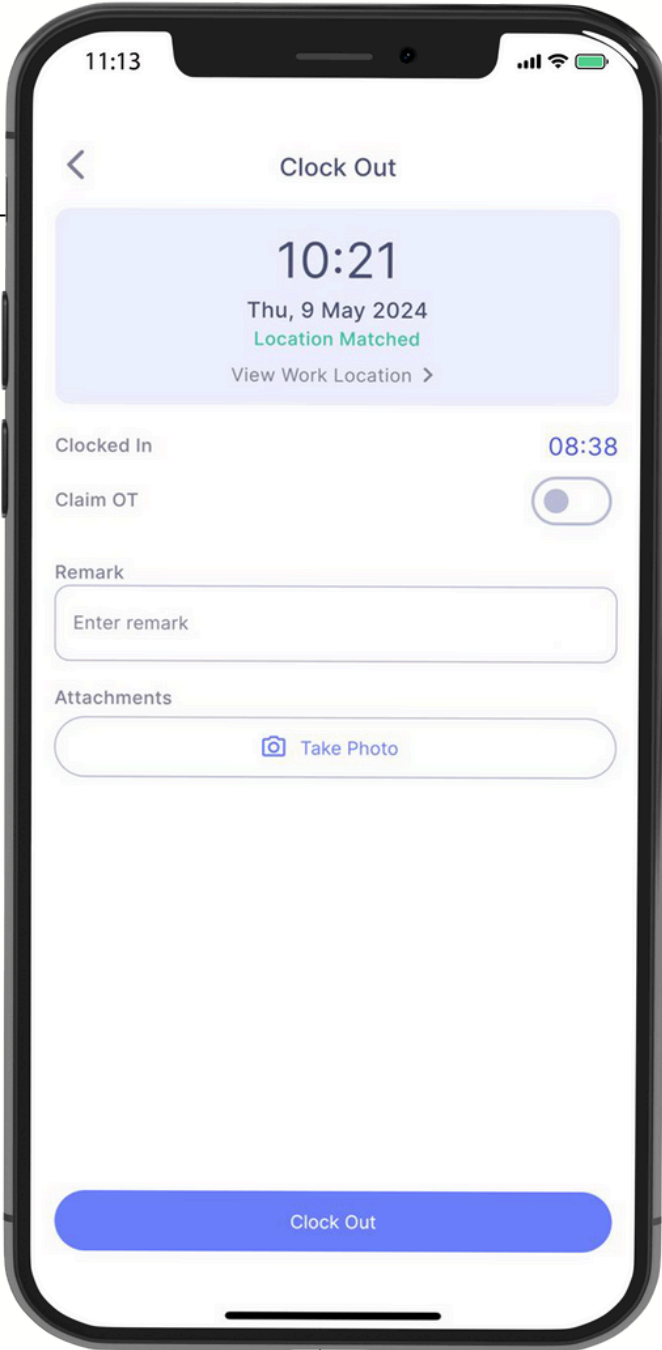
Clock in / out with geofence technology

Track own attendance and overtime pay rate

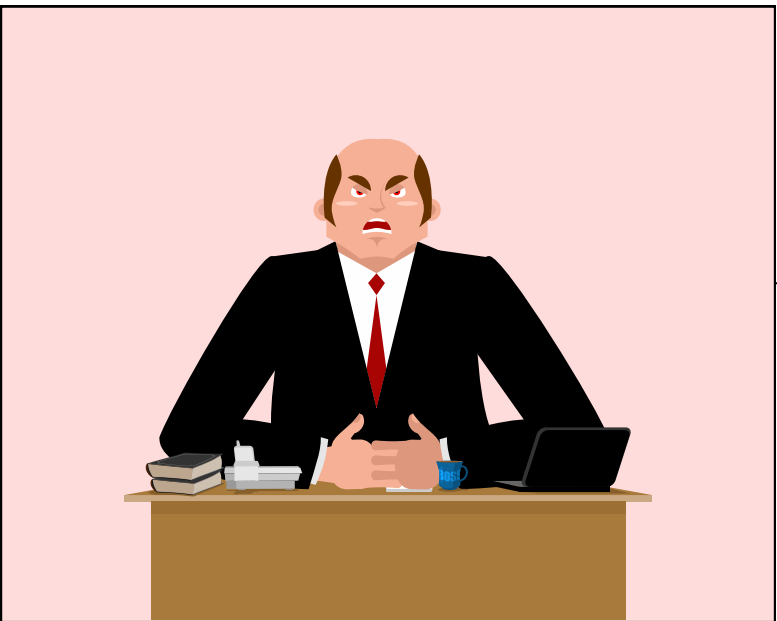
Multiple work schedules

On-site clock in for travellers with site photos

€ Time Attendance



EMPLOYER



Overview of team attendance

Track late in, early out, absent, and out of office employees

Receive notification of employees leaving workplace during working hours

Customizable overtime rules by clock time / by tier rate

Set up flexible lunch hour and flexible allowance

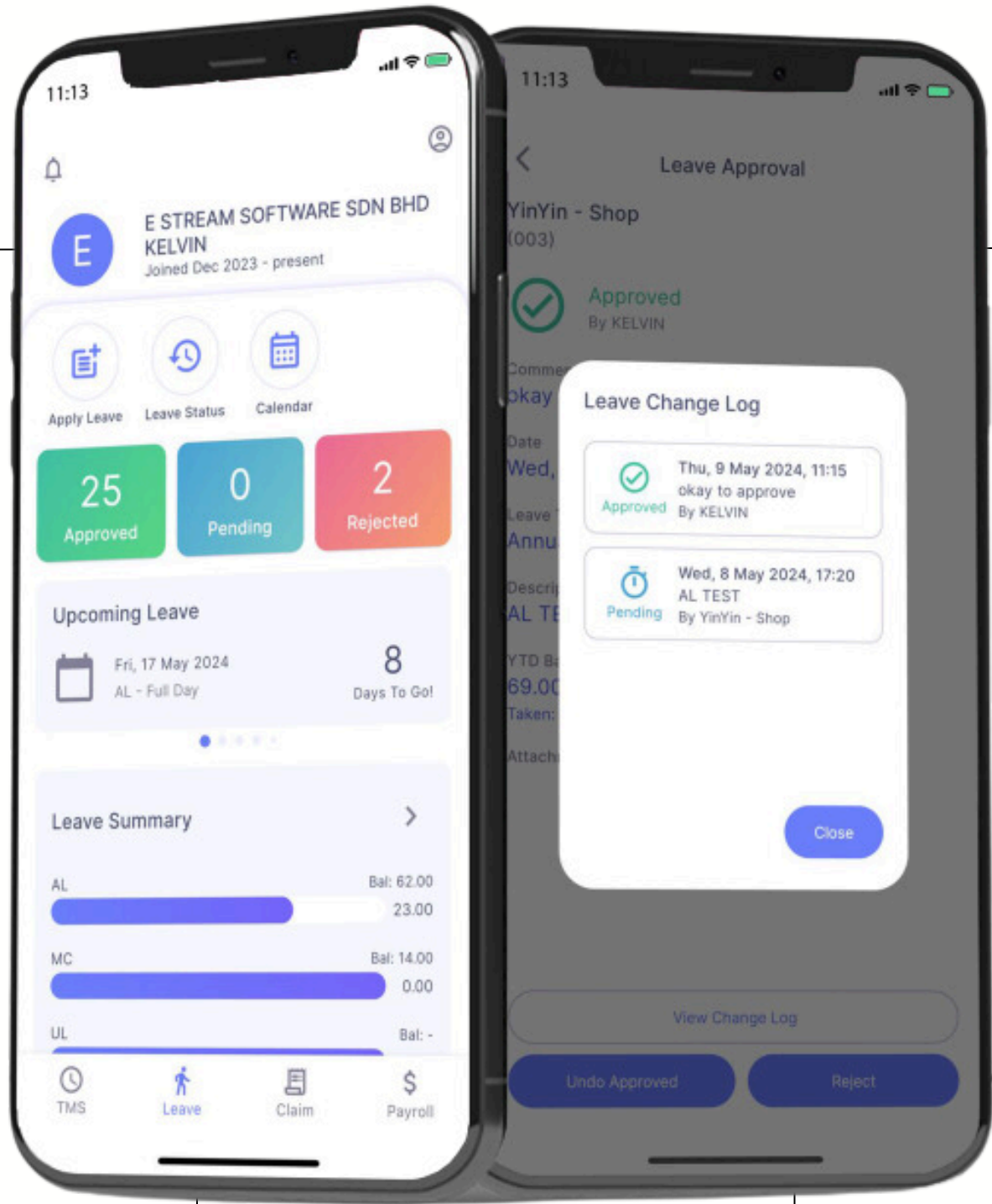


EMPLOYEE

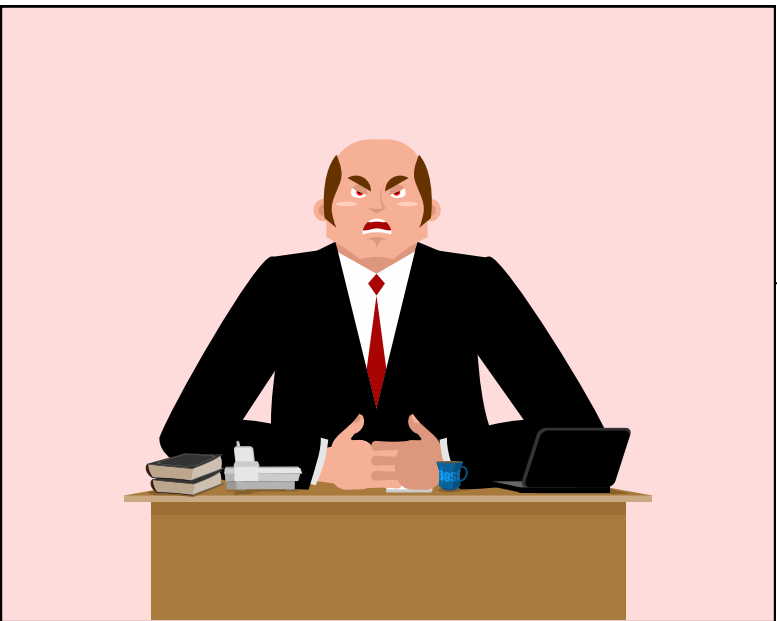


- Easy leave application and status checking
- Leave entitled and leave balance
- Unlimited years salary records
- Detailed payslip info
- Multiple years EA form

€ Leave



EMPLOYER



- Approval and notification
- Daily employees leave summary
- View all leave application at one glance in calendar mode
- Apply leave on-behalf
- Leave application status

EMPLOYEE

EMPLOYER

E Claim



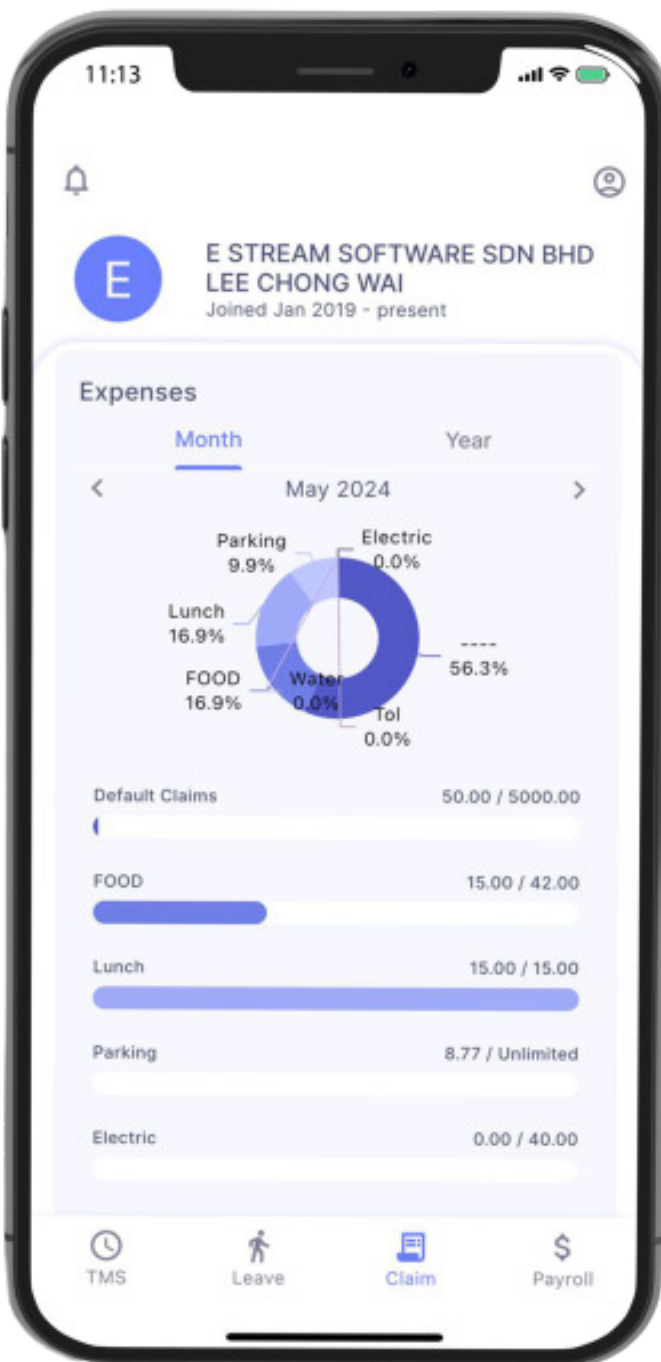
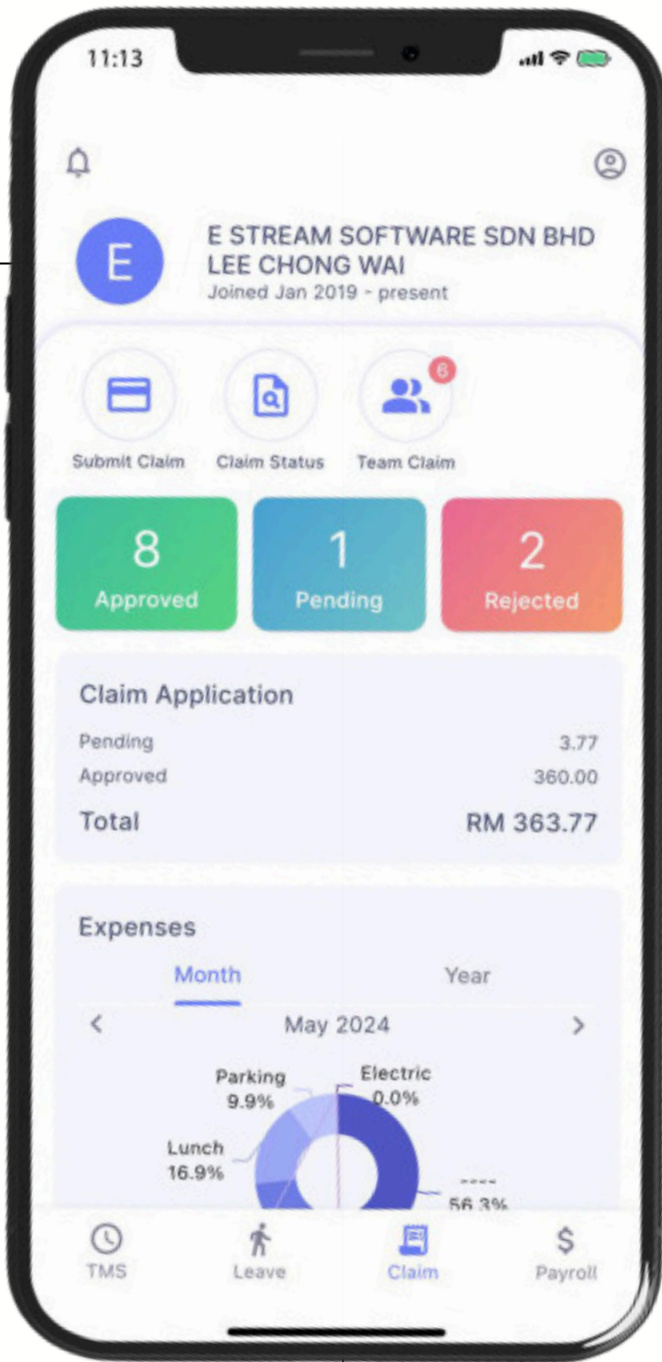
Easy claim submission in mobile app

Upload image file as proof of claim

View claim status progress tracking

View categorized monthly and annual claim history

View summarized pending and approved claim apps



Manager approval

Graphical display of six months claim analysis by employees

View current month claims

Get overlimit claims info

Individually approve or bulk approve claim application



# E Payroll

## READY TO INTEGRATE WITH SQL PAYROLL ?

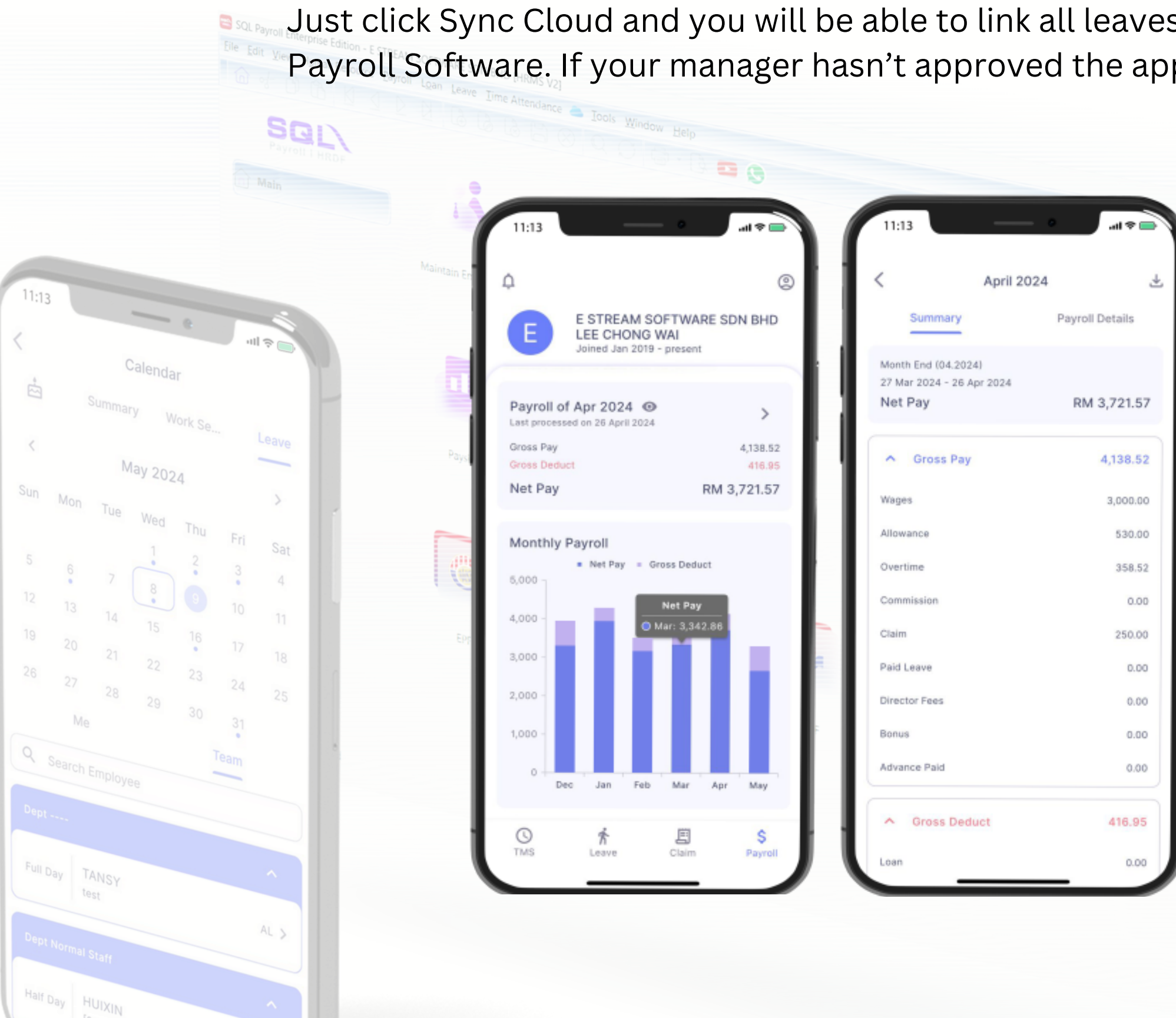
Just click Sync Cloud and you will be able to link all leaves that have been applied through the app into your SQL Payroll Software. If your manager hasn't approved the application, you can approve it on the software too.

### PAYROLL DASHBOARD

- Real-Time Data Access
- Enhanced Accuracy
- Time Savings
- Data Visualization

### PAYROLL SUMMARY

- Financial Overview
- Compliance and Reporting
- Error Detection and Correction
- Tax Preparation
- Performance Analysis





# Employer Perspective

Payroll



# Employer Perspective

## NECESSARY INFORMATION REQUIRED

To facilitate a successful configuration of your SQL Payroll system, please ensure that you have the following crucial details prepared and accessible:

1

### COMPANY NAME

Provide the full name of the company

2

### COMPANY REGISTRATION NUMBER

Provide the official registration number of your company

3

### ADDRESS

Provide the complete address associated with your company



4

### TIN NUMBER \*

Input the Tax Identification Number (TIN) for your company (\* This feature will be available in a future release)

5

### INDUSTRY CODE

Enter the industry code that corresponds to your company, also known as MSIC Codes

6

### ATTENTION

Enter the attention name of the in-charge person

# Employer Perspective

## NECESSARY INFORMATION REQUIRED



**EPF**



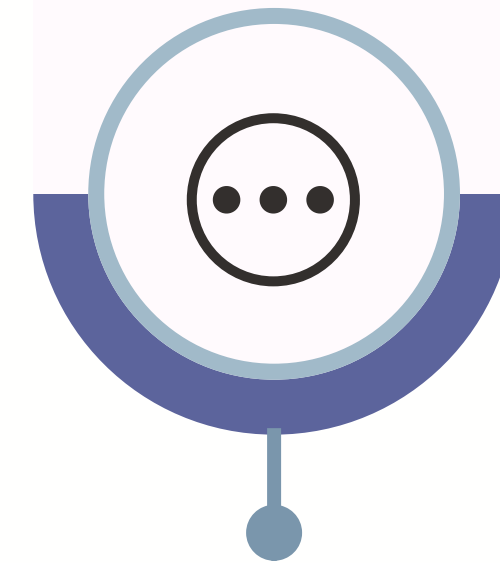
**TAX**



**SOSCO**



**HRDF**






**OTHERS**



<p>Enter the Employer's EPF details. It is crucial to ensure the accuracy of the EPF Employer Number for EPF Borang A</p>	<p>Enter the TAX details of the employer, and the most important part is that the TAX Employer No.</p>	<p>Fill in the SOCSO details of the employer.</p> <p>The SOCSO Employer Number is especially important</p>	<p>If the company is HRDF registered and required to contribute, enter 1% or 0.5%; otherwise, enter 0%.</p>	<p>Enter the Officer's name, IC, job title, phone no. and email address, as these are crucial for the EA Form</p>
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# An Overview of employer's responsibilities on

## STATUTORY CONTRIBUTIONS

Statutory Contributions	Employer's Responsibilities	Link for Reference
 <p>KWSP EPF</p> <p>EPF is a retirement savings plan for employees who are required to pay into it.</p>	<ul style="list-style-type: none"> <li>• Register your employees as EPF members</li> <li>• Provide salary statements to employees</li> <li>• Submit yours and your employee's share of contribution</li> </ul>	<a href="#">KWSP Portal</a>
 <p>PERKESO</p> <p>There are two options: i) Workplace Injury Compensation Program ii) Scheme of Invalidity</p>	<ul style="list-style-type: none"> <li>• Register your employees as SOSCO members</li> <li>• Report all work-related accidents that behalf of your workers</li> <li>• Maintain a monthly record of employees' information</li> <li>• Submit yours and your employees' share contribution</li> </ul>	<a href="#">ASSIST Portal</a>
 <p>EIS EMPLOYMENT INSURANCE SYSTEM</p> <p>Except in limited circumstances, EIS covers employees aged 18 to 60 who have their lost jobs.</p>	<ul style="list-style-type: none"> <li>• Submit yours and your employee's share of contribution</li> </ul>	



Statutory Contributions	Employer's Responsibilities	Link for Reference
 <p>PCB is a series of monthly deductions that go towards payment of employees' taxes in relation to their employment income</p>	<ul style="list-style-type: none"> <li>• Deducts PCB from your employee's monthly pay according to the Schedule of Monthly Tax Deductions or the Computerized Calculation Method</li> </ul>	<a href="#"><i>LHDN Portal</i></a>
 <p>HRDF has a provision for levy payments to be taxed as allowable expenses under the Income Tax Act 1967</p>	<ul style="list-style-type: none"> <li>• Register with HRD Corp to get support for your employee's training and skill development</li> </ul>	<a href="#"><i>HRDF Portal</i></a>

As your company expands, managing statutory contributions for your employees can become cumbersome. It is important to choose a payroll service provider to handle your employee's EPF and SESCO registration, salary disbursement, payroll taxes, and other statutory contributions. With SQL Payroll, you can transform complex compliance tasks into a smooth, hassle-free experience, letting you focus on what truly matters - growing your business.

# FREQUENTLY ASKED QUESTION REGARDING STATUTORY CONTRIBUTIONS:

What payments are included in :



EPF



SOSCO



EIS



PCB



HRDF



### What payments are included in EPF?

✓ Salary	✗ Service charges
✓ Bonus	✗ Overtime payment
✓ Allowance	✗ Gratuity
✓ Commission	✗ Retirement benefits
✓ Wages for maternity/ study/ half day leave	✗ Travelling allowance or the value of any travelling concession Director's fee



### What payments are included in SOSCO?

✓ Salary	✗ Travelling Allowance
✓ Pay leave	✗ Special Expense (Claims)
✓ Overtime	✗ Gratuity
✓ Extra Work on Holiday	✗ Benefits In Kind/VOLA
✓ Allowance	✗ Other Remunation
✓ Commission	✗ EPF



## What payments are included in EIS?

✓ Salary	✗ Travelling Allowance
✓ Pay Leave	✗ Special Expenses (Claims)
✓ Overtime	✗ Gratuity
✓ Extra Work on Holiday	✗ Bonus
✓ Allowance	✗ Benefits In Kind/VOLA
✓ Commission	✗ Other Remunation

## What payments are included in PCB?

✓ Wages	✓ Employee's share option scheme (ESOS)
✓ Overtime Payment	✓ Tax borne by the employer
✓ Commission	✓ Gratuity
✓ Allowance	✓ Compensation for loss of employment
✓ Bonus/ Incentive	✓ Any other payment in addition to normal remuneration for current month
✓ Director Fees	
✓ Perquisite	



## What payments are included in HRDF?

- ✓ Salary
- ✓ Fixed Allowances



**ONE PERSON SALARY,  
FIVE GOVERNMENT SUBMISSIONS:  
STREAMLINE YOUR COMPLIANCE !**

Neglecting any of these deductions could lead to a steep penalty, and you will be held accountable for it.

So, stay sharp and keep everything on track !

# EMPLOYER PERSPECTIVE

## Payroll Calculation

Here are specific payroll calculation formulas for monthly employees based on government rules.

Use these formulas as a reference :

No.	Type	Formula
1	Basic Salary	<b>Basic Salary</b> = $\left( \frac{\text{Monthly Wages}}{\text{Days In Month}} \right) \times \text{Protate Days}$
2	Unpaid Leave/Absent	<b>Deduction</b> = $\left( \frac{\text{Monthly Wages}}{\text{Days In Month}} \right) \times \text{Unpaid or Absent Days}$
<p>In Conclusion :</p> <p>The calculation formulas given are in accordance with the 2022 amendments to the Employment Act, particularly the new section 18A.</p> <p>These formulas are designed to ensure precise payroll calculations as per the latest regulations.</p>		



No.	Type	Formula
3	Paid Leave	$\text{Paid Leave} = \left( \frac{\text{Monthly Wages}}{\text{Number of Working Days}} \right) \times \text{Number of Days With Paid Leave}$
4	Overtime	$\text{Overtime Pay} = \left( \frac{\text{Monthly Wages}}{\text{Number of Working Days} \times \text{Working Hours Per Day}} \right) \times \text{Overtime Rate} \times \text{Overtime Hours}$
<p>In Conclusion :</p> <p>The calculation formulas are based on Section 60I of the Employment Act 1955. In this framework :</p> <ul style="list-style-type: none"> <li>The “<b>Ordinary Rate of Pay</b>” is defined as the wages outlined in Section 2 of the Act.</li> </ul> <p>For monthly employees, this rate should be divided by 26 days to determine the daily rate.</p> <ul style="list-style-type: none"> <li>The “<b>Hourly Rate of Pay</b>” is calculated by dividing the ordinary rate of pay by the standard number of work hours specified in the Act.</li> </ul> <p>These definitions and methods ensure that payroll processing adheres to the standards set by the Employment Act 1955.</p>		

## NOTE :

In the context of the provided calculation formulas, the figures 8.0 or 7.5 represent the employee's normal work hours.

According to the Employment Act Amendment of 2022, the employee's weekly working hours have been reduced from 48 hours to 45 hours.

In cases where employees work for 6 days a week, their daily working hours should be adjusted to 7.5 hours

The minimum wage for employees in Malaysia is currently set at **RM1,500.00** per month. Please ensure that your existing employees meet this minimum wage requirement follow the Malaysian Employment Act

# SQL Payroll Leave Entitlement Calculation

Examples of how to calculate annual leave using SQL queries

## SCENARIO 1 First Date Join

Employee Information:

**Join Date:** January 1, 2024

**Leave Entitlement:** 8 days per year

**Leave Year:** Calendar year (January 1 to December 31)

How many days of leave this employee will be entitled to for the remainder of 2024?

$$\text{Pro-rated leave} = \left( \frac{\text{Days worked in partial year}}{\text{Total Days in a Year}} \right) \times \text{Annual Leave Entitlement}$$

$$\begin{aligned} \text{Pro-rated leave} &= \left( \frac{365}{365} \right) \times 8 \text{ days} \\ &= 8 \text{ days} \end{aligned}$$

Therefore, the employee is entitled to approximately 8 days of leave for the period from January 1 to December 31, 2024.

## SCENARIO 2 Middle Date Month Join

Employee Information:

**Join Date:** June 15, 2024

**Leave Entitlement:** 8 days per year

**Leave Year:** Calendar year (January 1 to December 31)

How many days of leave this employee will be entitled to for the remainder of 2024?

$$\text{Pro-rated leave} = \left( \frac{\text{Days worked in partial year}}{\text{Total Days in a Year}} \right) \times \text{Annual Leave Entitlement}$$

Days Work in Partial Year = 15(jun) + 31(July)+ 31(Aug)+30(Sept)+31(Oct)+30(Nov)+31(Dec) = 199

$$\begin{aligned} \text{Pro-rated leave} &= \left( \frac{199}{365} \right) \times 8 \text{ days} \\ &= 4.36 \text{ days} \end{aligned}$$

Therefore, the employee is entitled to approximately 4.36 days of leave for the period from June 15 to December 31, 2024.

\* This calculation assumes a 365-day year and does not account for leap years or other adjustments.



# Payroll Calculation

## OVERTIME RATE INFORMATION

This is an essential reference as it is defined in the Employment Act 1955, ensuring compliance with legal standards for overtime pay.

No.	Type	Overtime Rate	Note
1	Normal Working Days	1.5	Working more than normal hours
2	Rest day	0.5	Where work does not exceed half his normal hours of work
		1.0	Where work is more than half but does not exceed normal work hours
		2.0	Working more than normal working hours
3	Public Holiday	2.0	Follow normal working hours
		3.0	Excess of normal hours

# Employer Perspective

## SALARY PAYMENT DATE & PAYSHEET



Timely salary payments are essential for employers, as mandated by the Employment Act 1955, Part III, which governs the Payment of Wages. This act stipulates that wages must be disbursed no later than the seventh day after the end of the payroll period. Many companies adhere to a payroll schedule that aligns with the calendar month, typically ensuring that salaries are paid by the **7th** of the subsequent month.

### NOTE :

For regular terminations, employers are required to pay the employee's salary on the termination date, ensuring compliance with legal standards for fair and prompt compensation.

## BENEFITS OF DISTRUBUTING PAYSLIPS

### EMPLOYEE



#### Clarity on Earnings :

- Payslips give employees a clear breakdown of their earnings, including basic salary, bonuses, deductions, and net pay, ensuring they understand how their pay is calculated.

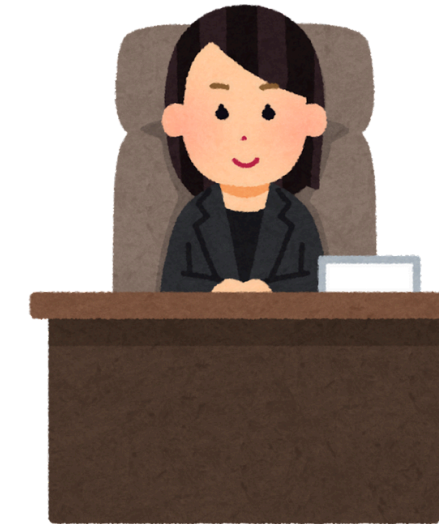
#### Proof of Income :

- Payslips serve as official proof of income, which can be used for loan applications, rental agreements, and other financial matters.

#### Security and Peace of Mind :

- Regularly receiving payslips reassures employees that their employer is transparent and adheres to legal standards, contributing to job satisfaction and security.

### EMPLOYER



#### Record-Keeping :

- Payslips provide a detailed record of wages, deductions, and other financial information, which is essential for accurate bookkeeping and audits.
- Employers are required to maintain employee records for at least six years (though PERKESO and LHDN specify seven years). This is crucial for record-keeping and compliance purposes.

#### Trust and Communication :

- Regularly distributing payslips fosters transparency and trust between employers and employees, promoting a positive workplace culture.

# Monthly Government Report

DOCUMENT	DESCRIPTION	DEADLINE
EPF Borang A	Upload to EPF portal or pay through bank submission	On or before the 15th of the wages month 9 <b>(if the 15th is a public holiday, then the deadline is extended to the next working day)</b>
SOCSSO Borang 8A	Upload to SOCSSO ASSIST portal or pay through bank submission.	No later than 15th day of the month for the previous month's contribution
EIS	(In 2023, PERKESO has introduced SOCSSO and SIP text file submissions, and both can be combined into a single file for upload to the SOCSSO ASSIST portal.)	No later than the 15th day of the previous month's contribution
Income tax cp 39	Use the e-PCB, e-Data PCB or e-CP39 applications on the IRBM's Official Portal.	On or before the 15th day of the subsequent month <b>(if the 15th is a holiday the deadline will be the last working day before the 15th)</b>
HRDF Form	Login e-Tris system through HRD Corp portal and key in payment information	No later than the 15th day of the following month

**\*Take Note: SQL Payroll able to generate the txt file direct submit to kwsp/ though bank**



# Yearly Government Report

DOCUMENT	DESCRIPTION	DEADLINE
EA form	A summary of the employee's earning form	By the 28th of February of the assessment year.
EC form	Remuneration Statement for Government Employees.	No later than 31st March
e-Data Praisi	For employers to check whether the sent pre-filled data follows the specification set by LHDNM or not. If the data fulfils the specification, employer can upload the data to LHDNM.	No later than 31st March every year
Income tax CP8D	A form that allows the employer to all staff particulars to LHDN	No later than 30th June every year (*grace period given 15th July for e-Filing )

**\*Take Note: SQL Payroll able to generate the txt file to submit e-filling!**

# What is Benefits In Kind (BIK)?

- BIK are non-cash benefits provided by employers to their employees and are treated as income of the employees
- BIK are benefits not convertible into money, even though they have monetary value
- “Non convertible into money” means the benefit cannot be turned into cash, either due to contract or the nature of the benefit itself.

## How to determine value of BIK?

The Formula Method :

$$\text{Annual Value of the benefit} = \frac{\text{Cost of the asset that is provided as benefit/ amenity}}{\text{Prescribed average life span of the asset}}$$

Here, cost means the actual cost incurred by the employer.

### The Prescribed Value Method:

The schedules for the standard values of commonly provided employee benefits are shown in the table in page (next page )

The value of BIK given to the employee can be reduced if it meets certain conditions set by the employee:

- Provided for less than a year
- Shared with another employee

# PRESCRIBED VALUE OF BIK

## Prescribed Average Life Span (Years)

Asset	Type of Assets	Prescribed Average Life Span (Years)
1	Motorcar	8
2	Furniture and Fittings: <ul style="list-style-type: none"> <li>• Curtains and carpets</li> <li>• Furniture, sewing machine</li> <li>• Air conditioner</li> <li>• Refrigerator</li> </ul>	5 15 8 10
3	Kitchen equipment (e.g. crockery, rice cooker, electric kettle, toaster, coffee maker, gas cooker, cooker hood, oven, dish washer, washing machine, dryer, food processor etc.)	6
4	Entertainment: <ul style="list-style-type: none"> <li>• Piano</li> <li>• Organ</li> <li>• TV, video recorder, CD/DVD player, stereo set</li> <li>• Swimming pool (detachable), sauna</li> </ul>	20 10 7 15
5	Miscellaneous	5

# PRESCRIBED VALUE OF BIK

## Prescribed Value Of Household Furnishing, Apparatus and Appliances

Category	Type of Benefit	Annual Prescribed Value Of BIK Provided (RM)
1	Semi-furnished with furniture in the lounge, dining room or bedroom	840
2	Semi-furnished with furniture as in Column 1 and one or two of the following: <ul style="list-style-type: none"> <li>• Air conditioners</li> <li>• Curtains and alike</li> <li>• Carpets</li> </ul>	1,680
3	Fully furnished with benefits as in Column 1 and 2 as above plus one or more of kitchen equipment, crockery, utensils and appliances.	3,360
4	Services charges and other bills such as water and electricity	Service charges and bills paid by the employer



# PREScribed VALUE OF BIK

## Prescribed Value Of Other Benefits

Item	Type of Benefit		Value of BIK Per Year
1	Telephone (including mobile phone)	a) Before the year of assessment 2008	<p>a) Hardware: RM300 per telephone</p> <p>b) Bills:</p> <p>i. Telephone is subscribed and paid by the employer</p> <ul style="list-style-type: none"> <li>• The benefit is taxed under paragraph 13(1)(b) of the ITA 1967.</li> <li>• The prescribed value is RM300 per telephone.</li> <li>• When the formula method is used, the value of the benefit is the actual cost of the private bills paid by the employer.</li> </ul> <p>ii. Telephone is subscribed by the employee and by employee</p> <ul style="list-style-type: none"> <li>• The benefit is taxed under paragraph 13(1)(a) of the ITA 1967.</li> <li>• The benefit to be taxed is the amount of the actual bills paid by the employer.</li> </ul>
		b) From the year of assessment 2008	<p>i. Hardware - fully exempt</p> <p>ii. Bills - fully exempt</p>

# PRESCRIBED VALUE OF BIK

## Prescribed Value Of Other Benefits

Item	Type of Benefit		Value of BIK Per Year
2	Gardener		RM3,600 per gardener
3	Household servant		RM4,800 per servant
4	Recreational club membership	a) Individual membership - Membership subscription paid or reimbursed by employer	<p>Tax treatment on the benefit received on the employee as follows:</p> <ul style="list-style-type: none"> <li>i. Entrance fee for club membership - taxed under paragraph 13(1)(a) of the ITA 1967.</li> <li>ii. Monthly/annual membership subscription fees for club membership - taxed under paragraph 13(1)(a) of the ITA 1967.</li> <li>iii. Term membership - is taxed on the amount of payment made under paragraph 13(1)(a) of the ITA 1967.</li> </ul>
		b) Corporate membership - Membership subscription paid by employer	<p>Tax treatment on the benefit received on the employee as follows:</p> <ul style="list-style-type: none"> <li>i. Entrance fee - not taxable</li> <li>ii. Monthly/annual membership subscription fees for club membership - taxed on the prescribed value under paragraph on the prescribed value under paragraph 13(1)(a) of the ITA 1967.</li> </ul>

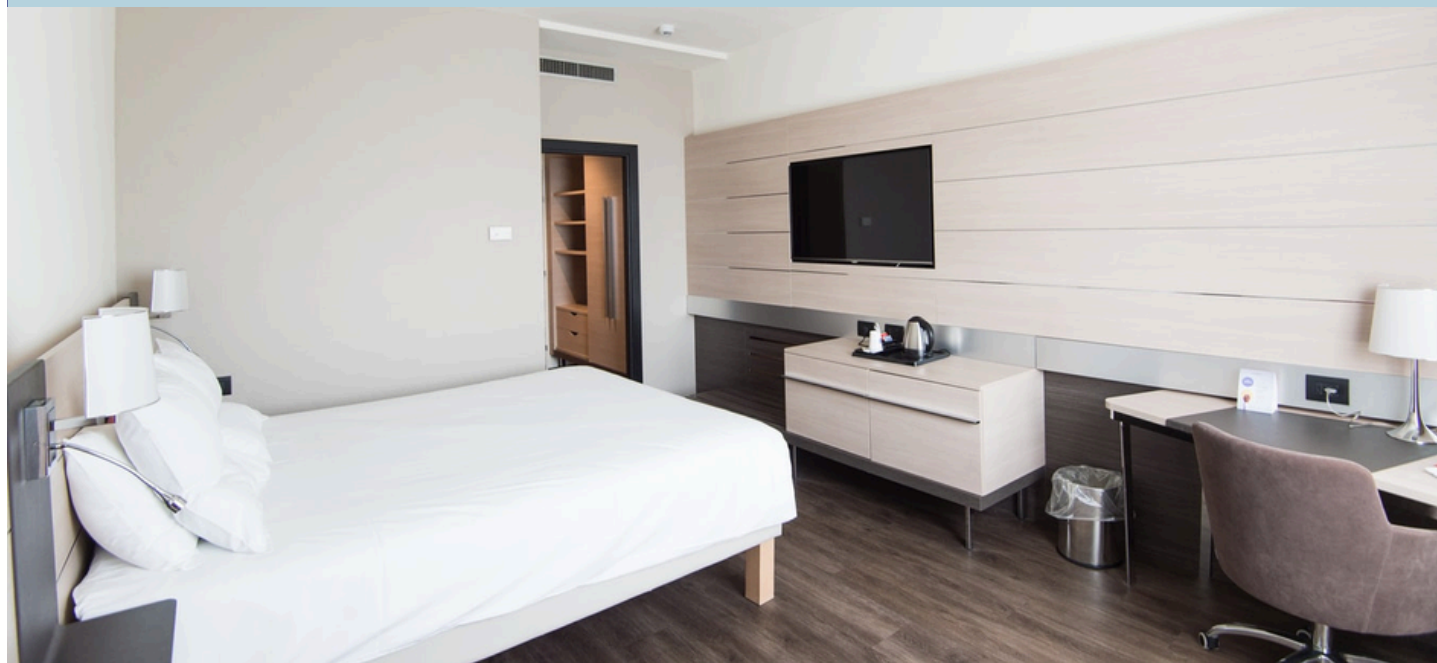


# WHAT IS VOLA ?

## (Value of Living Accommodation)

When an employer provides free housing to an employee, this is considered a taxable benefit. The value of this benefit, which is the worth of the free housing, must be included in the employee's gross income for tax purposes. This applies to any living accommodation provided in Malaysia, including housing in buildings owned by the employer.

### Category 1: Living accommodation provided for employee or service director



- Service Director represents director who is employed in the service of the company in a managerial or technical capacity and does not hold more than 5% of the ordinary share capital of the company.
- The computation for VOLA is either the below whichever lesser:
  - i. Defined value of VOLA or
  - ii. 30% of the gross income from employment under Para 13(1)(a) of the ITA (exclude ESOS)



### Category 2: Living accommodation provided for directors of controlled companies



- Director includes:
  - a. A manager of the company
  - b. Remunerated out of the funds of that business
  - c. A beneficial owner of 20% or more of the ordinary share capital of the company
- The computation of VOLA will be the defined value of the living accommodation

### Category 3: Hostel living accommodation for employee or service director

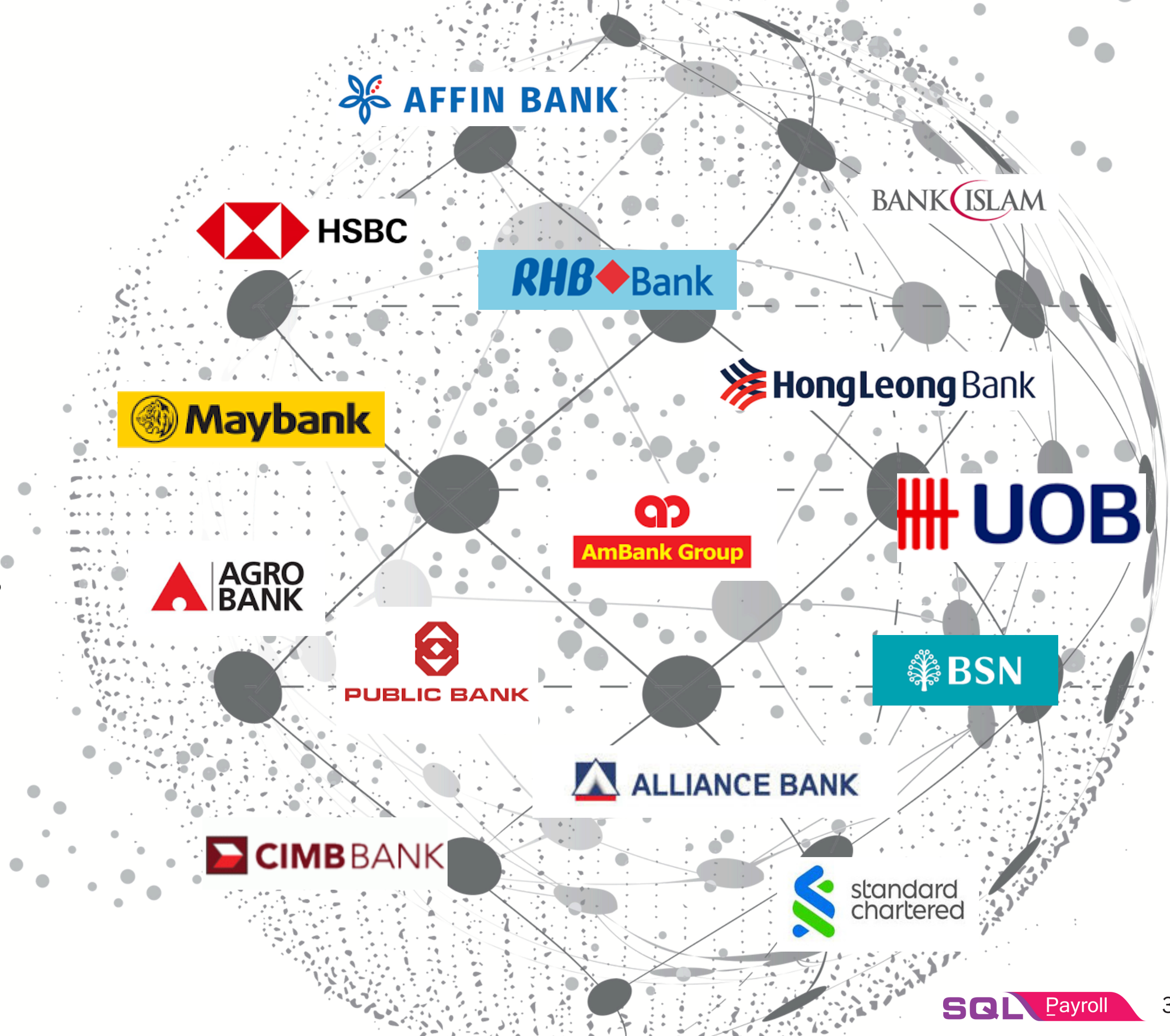


- Where the living accommodation provided for employee or service director, is:
  - a. in a hotel, hostel or similar premises
  - b. any premises in plantation or in a forest
  - c. any premises which although in rateable area are not subject to rates
- The amount to be taken into account as VOLA is:  
An amount equal to 3% of the gross income under Para 13(1)(a) of the ITA (Exclude ESOS)



# Credit Bank Report

Make salary payments via electronic submissions. More than 25 Malaysia banks including Maybank, Hong Leong Bank, CIMB Bank, Public Bank can be used to perform bank giro on SQL Payroll Malaysia software.





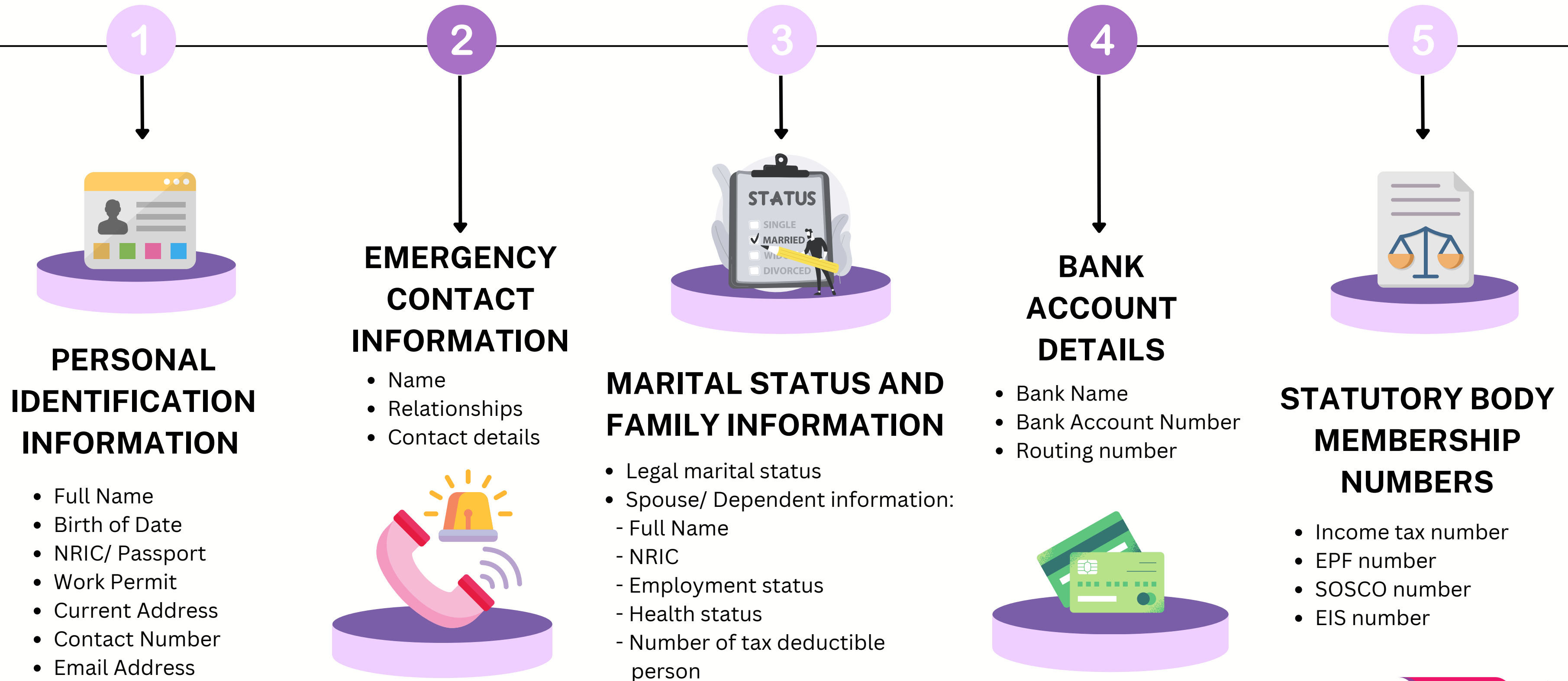
# Employee Perspective

Payroll

# Employee Perspective

## NECESSARY EMPLOYEE PROFILE INFORMATION REQUIRED

In order to ensure precise payroll processing and adherence to regulations, employers should gather the following key information from employees:



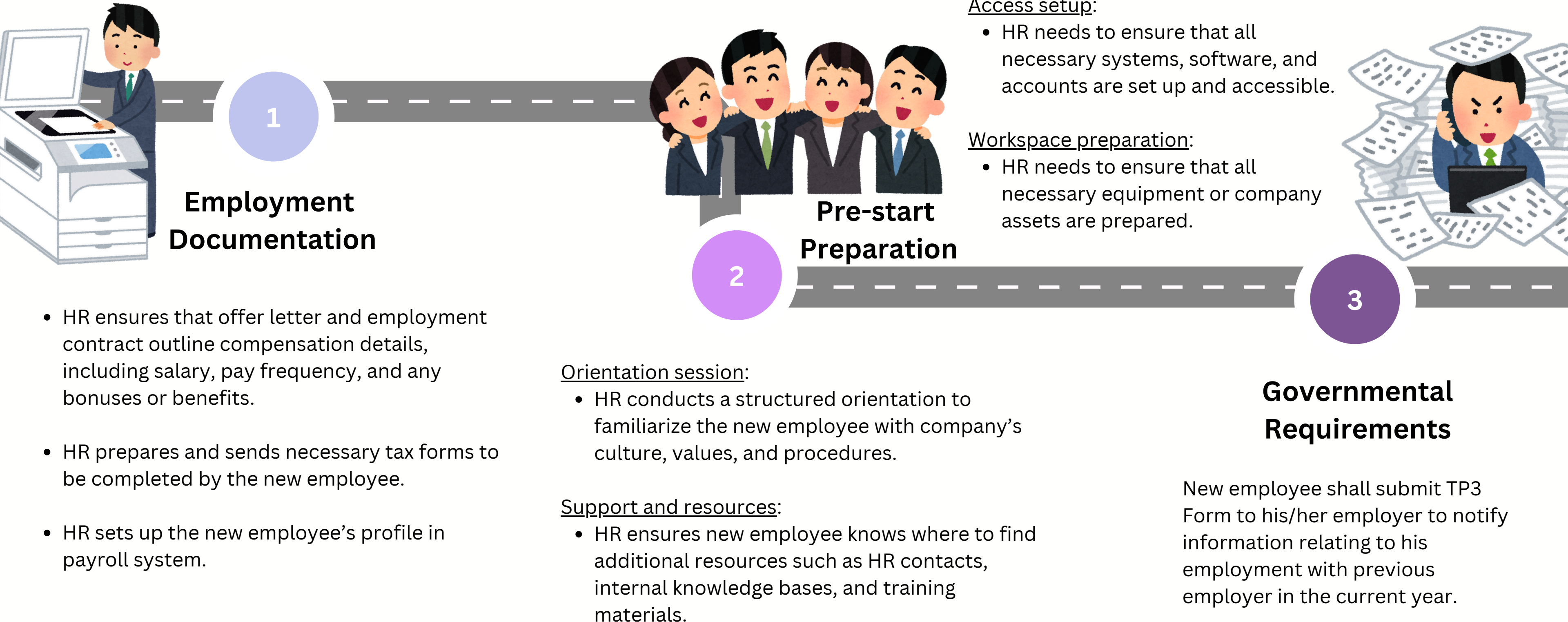


Employee are encouraged to proactively gather and input essential employees' details into SQL Payroll system. This proactive measure guarantees precise and compliant payroll management, optimizes workflow efficiency, and mitigates risks related to missing or outdated data.

By taking these steps, employers can ensure smooth payroll operations and prevent potential issues before they arise.



# ONBOARDING TIPS FOR NEW JOINER



## EPF - Employees Provident Fund Contribution



### EMPLOYER'S AND EMPLOYEE'S CONTRIBUTION RATE FOR EPF

Employee's Status	Employee's EPF Contribution Rate		Employer's EPF Contribution Rate	
	RM 5,000 and below	More than RM 5,000	RM 5,000 and below	More than RM 5,000
Monthly Salary Rate				
Malaysian Below Age 60	11 %		13 %	12 %
Malaysian Age 60 and Above	0 %		4 %	
Permanent Resident Age 60 and Above	5.5 %		6.5 %	6 %
Permanent Resident Below Age 60	11 %		13 %	12 %
Non-Malaysian Age 60 and Above	5.5 %		RM 5.00	
Non-Malaysian Below Age 60	11 %		RM 5.00	

## SOSCO - Social Security Organization



### EMPLOYER'S AND EMPLOYEE'S CONTRIBUTION CATEGORY FOR SOSCO

Employee's Status	SOCSCO Category
Age Below 60	Employment Injury Scheme and Invalidity (Category 1)
Age 60 and Above	Employment Injury Scheme (Category 2)
Foreign Workers	Employment Injury Scheme (Category 2)

- Malaysian employee's SOCSCO account number is the same as their NRIC.
- Non-Malaysians need assistance from employers to obtain a 12-digit SOCSCO account number.

## EIS- Employment Insurance System



### EMPLOYER'S AND EMPLOYEE'S CONTRIBUTION RATE FOR EIS

Employee's Status	Employee's EIS Contribution Rate	Employer's EIS Contribution Rate
Age Below 60	0.2 %	0.2 %
Age 60 and Above	0 %	0 %
Foreign Workers	All legal foreign workers will be covered by Employment Injury (EI) Scheme under Act 4 and not Employment Insurance System (EIS) under the Employment Insurance System Act 2017 (Act 800)	

The contribution rate for Employment Insurance System (EIS) is 0.2% for the employer and 0.2% for employee based on the employee's monthly salary. To view the full contribution rate, may visit <https://www.kwsp.gov.my/documents/d/guest/jadual-ketiga-bi-pdf-1?preview>



## PCB - Potongan Cukai Bulanan (Income Tax)



### EMPLOYER'S AND EMPLOYEE'S CONTRIBUTION RATE FOR PCB

Tax Residence Status :	
<ul style="list-style-type: none"><li>• Based on time spent in Malaysia, not nationality.</li><li>• A Malaysian living and working overseas can be a non-resident.</li></ul>	
No Tax If :	Exceptions :
<ul style="list-style-type: none"><li>• You spend 60 days or less in Malaysia</li><li>• Your stay is a continuous period (<math>\leq 60</math> days) overlapping two years</li><li>• The continuous period (<math>\leq 60</math> days) overlaps two years with additional periods totaling <math>\leq 60</math> days</li></ul>	<ul style="list-style-type: none"><li>• Non-resident directors of Malaysian companies</li><li>• Public entertainers</li></ul>
Tax Rate :	
Residents: <ul style="list-style-type: none"><li>• Graduated rates: 0% to 30% based on income</li><li>• Eligible for personal and family tax reliefs</li></ul>	Non-Residents: <ul style="list-style-type: none"><li>• Flat rate of 30%</li><li>• No tax reliefs, available but exemptions on certain allowances apply</li></ul>

<b>PCB (Monthly Tax Deductions) :</b>
<ul style="list-style-type: none"> <li>• Applicable to both residents and non-residents</li> <li>• Deducted if income exceeds the PCB minimum threshold</li> </ul>
<b>Return Expert Program :</b>
<ul style="list-style-type: none"> <li>• Offers tax incentives for Malaysian professionals returning from abroad.</li> </ul>
<b>Knowledge Worker (Iskandar) :</b>
<ul style="list-style-type: none"> <li>• Incentives for knowledge workers in the Iskandar Malaysia region.</li> </ul>
<b>Position of C Suite :</b>
<ul style="list-style-type: none"> <li>• Taxed at the rate of 15% on income from employment with a company that has been granted a relocation tax incentive under the PENJANA incentive.</li> </ul>

## HRDF - Human Resources Development Fund



### EMPLOYER'S AND EMPLOYEE'S CONTRIBUTION RATE FOR HRDF

Employee's Status	Employee's HRDF Contribution Rate	Employer's HRDF Contribution Rate
Malaysian	0 %	1% (Compulsory if have more than 10 Malaysian employees)  0.5% (Optional if have 5-9 Malaysian employees)
Non-Malaysian	0 %	0.2 %

Failure of payment before the stipulated time will result in:

- Fine not exceeding RM20, 000.00 (Ringgit Malaysia Twenty Thousand) or imprisonment for a term not exceeding two (2) years or both (on conviction).
- Yearly interest of 10 per cent in respect of each day of default or delay in payment.



# Leave Entitlement & Public Holiday

## (FULL TIME & PART TIME EMPLOYEE)

The Employment Act 1955 outlines mandatory leave types that employers must adhere to under Malaysian law to prevent legal issues. Additionally, there are optional leave types that many organizations provide to enhance employee well-being and satisfaction.

★ compulsory leave

Category	Full-Time Employee	Part-Time Employee
Rest Day	1 rest day	1 rest day (if work > 5 days, or <= 20 hours per week)
★ Annual Leave	<ul style="list-style-type: none"><li>• 8 days for &lt; 2 years</li><li>• 12 days for 2-5 years</li><li>• 16 days for 5+ years</li></ul>	<ul style="list-style-type: none"><li>• 6 days for 1-2 years</li><li>• 8 days for 2-5 years</li><li>• 11 days for 5+ years</li></ul>
★ Sick Leave	<ul style="list-style-type: none"><li>• 14 days for &lt; 2 years</li><li>• 18 days for 2-5 years</li><li>• 22 days for 5+ years</li></ul>	<ul style="list-style-type: none"><li>• 10 days for 1-2 years</li><li>• 13 days for 2-5 years</li><li>• 15 days for 5+ years</li></ul>
★ Hospitalization Leave	60 days	Not Entitled

## Leave Entitlement & Public Holiday

### (FULL TIME & PART TIME EMPLOYEE)

Category	Full-Time Employee	Part-Time Employee
★ <b>Maternity Leave</b>	98 consecutive days	Not Entitled
★ <b>Paternity Leave</b>	7 consecutive days	Not Entitled
★ <b>Public Holidays</b>	<p>Entitle <b>11</b> public holidays, and include <b>5</b> gazetted public holidays</p> <ul style="list-style-type: none"> <li>• National Day</li> <li>• Yang di-Pertuan Agong's Birthday</li> <li>• State Ruler's or Yang di-Pertua Negeri's Birthday or Federal Territory Day</li> <li>• Workers' Day</li> <li>• Malaysia Day</li> </ul>	<p>Entitle <b>7</b> public holidays, and include <b>4</b> gazetted public holidays</p> <ul style="list-style-type: none"> <li>• National Day</li> <li>• Birthday of the Yang di-Pertuan Agong</li> <li>• Birthday of the state Ruler or Federal Territory Day</li> <li>• Worker's Day</li> </ul>



# Leave Entitlement & Public Holiday

## (FULL TIME & PART TIME EMPLOYEE)

Category	Full-Time Employee	Part-Time Employee
Unpaid Leave	Optional	Optional
Emergency Leave	Optional (2 - 3 days)	Optional (2 - 3 days)
Compassionate Leave	Optional (2 - 5 days)	Optional (2 - 5 days)
Marriage Leave	Optional	Optional
Replacement Leave	Optional	Optional



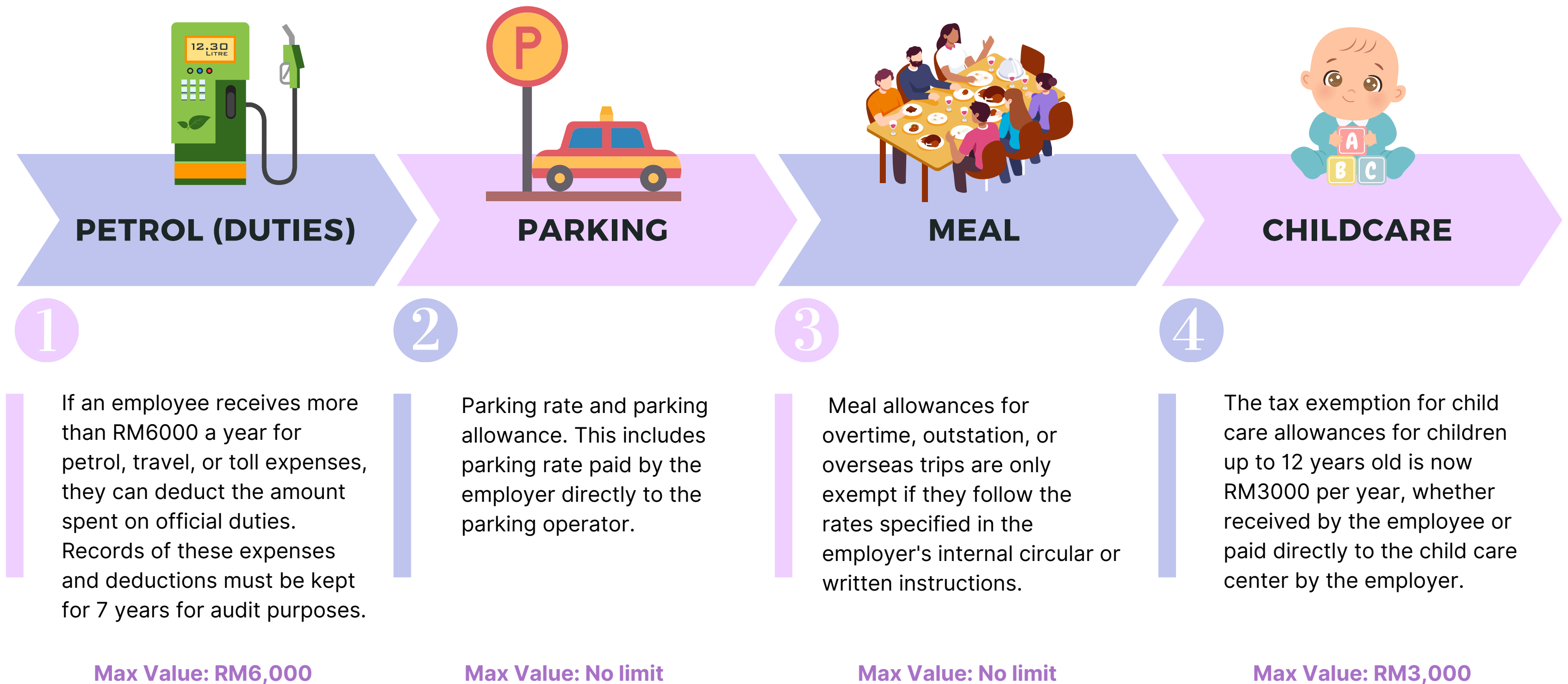
# Working Hours

## (FULL TIME & PART TIME EMPLOYEE)

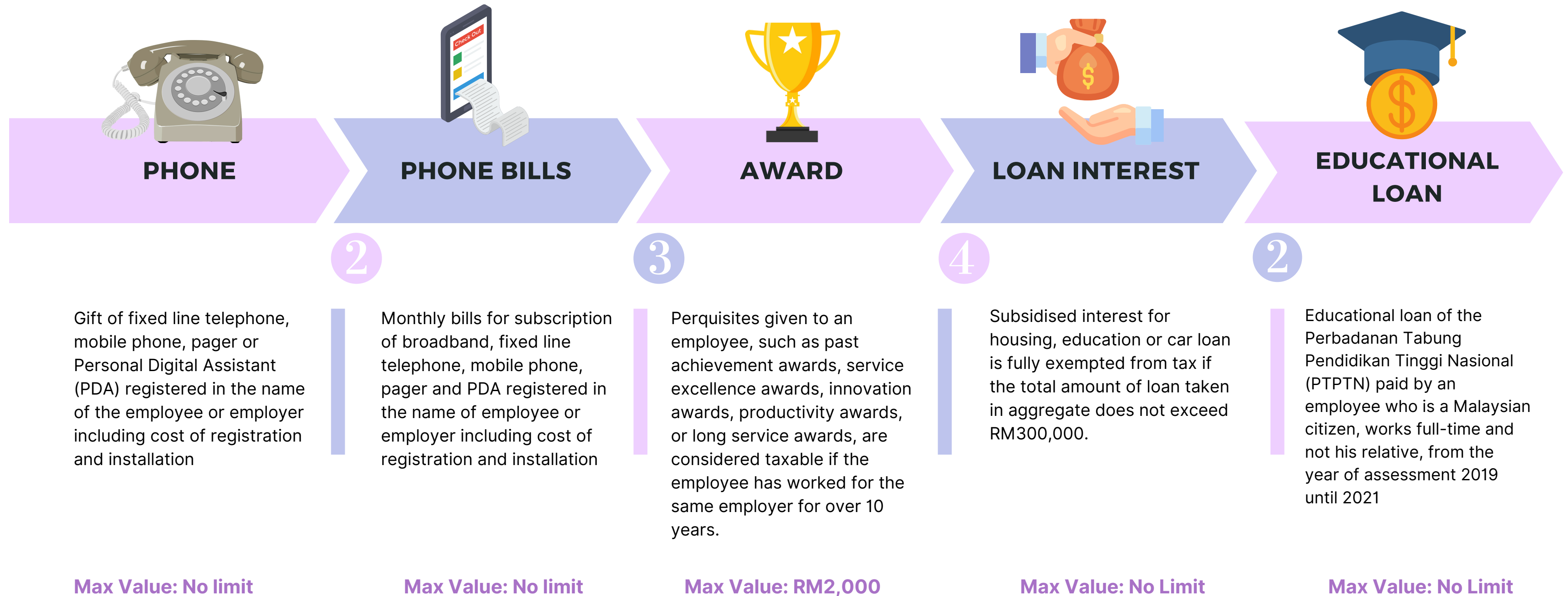
To classify employment as full-time or part-time, refer to the Employment Act 1955. The Act sets the criteria for standard working hours, overtime, and entitlements, ensuring both employees and employers adhere to legal standards.

CATEGORY	FULL-TIME EMPLOYEE	PART-TIME EMPLOYEE
Working Hours	<ul style="list-style-type: none"><li>• Max 8 hours/day</li><li>• Max 45 hours/week</li><li>• Total daily work including breaks: max 10 hours</li></ul>	<ul style="list-style-type: none"><li>• &lt;30 hours/week</li><li>• &lt;70% full-time hours</li></ul>
Overtime	<ul style="list-style-type: none"><li>• Overtime beyond 8 hours/day or 45 hours/week</li><li>• Must be paid at least 1.5 times the hourly wage.</li></ul>	<ul style="list-style-type: none"><li>• Overtime paid at normal hourly rate if less than full-time hours.</li><li>• 1.5 times hourly rate if exceeding full-time hours</li></ul>
Maximum Overtime	<ul style="list-style-type: none"><li>• Up to 104 hours/month, max 12 hours/day including overtime.</li></ul>	<ul style="list-style-type: none"><li>• Up to 104 hours/month, max 12 hours/day including overtime.</li></ul>
Break	<ul style="list-style-type: none"><li>• 30-min unpaid break after 5 hrs.</li></ul>	<ul style="list-style-type: none"><li>• 30-min unpaid break after 5 hrs.</li></ul>
Weekly Rest Day	<ul style="list-style-type: none"><li>• Entitled to 1 rest day per week</li></ul>	<ul style="list-style-type: none"><li>• Entitled to a rest day if working 5 days or more, or at least 20 hours per week.</li></ul>

# Allowance Tax Exemption Rules



# Allowance Tax Exemption Rules



For more detailed information visit the link : [http://lampiran1.hasil.gov.my/pdf/pdfam/Notes\\_PartF\\_2.pdf](http://lampiran1.hasil.gov.my/pdf/pdfam/Notes_PartF_2.pdf)

# Conclusion

We hope this guide has equipped you with the essential insights and tools to efficiently manage your payroll processes using **SQL Payroll** software. By offering a robust platform that simplifies payroll management, streamlines statutory compliance, and automates critical HR tasks, **SQL Payroll** empowers businesses to focus on growth rather than administrative burdens.

With its user-friendly interface, real-time reporting, and integration capabilities, **SQL Payroll** ensures accuracy and efficiency in managing employee compensation and statutory obligations. As you continue to leverage this software, we encourage you to explore its full potential to enhance your payroll operations.

Thank you for choosing **SQL Payroll** as your trusted payroll management solution. We believe it will greatly contribute to the success of your HR and payroll strategies, ensuring that your business stays compliant, efficient, and forward-looking.

# Disclaimer

The information provided in this guide is for general informational purposes only and may be subject to change without prior notice. While every effort has been made to ensure the accuracy and completeness of the content, users are encouraged to verify details and consult with professionals or relevant authorities for the most current information. The software features described may vary depending on the version and implementation.