

Malaysia: As minimum wage rises, adjust salaries of low-income senior workers as well

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We, the undersigned Malaysian trade unions, call on the “Madani” government to reform the minimum wage order to bring benefit to senior workers who have contributed greatly to the country’s economic growth over the past few decades.

The majority of these workers started with a salary of RM500 or RM600 per month in the days when there was no minimum wage.

After serving a company for 20 or 30 years, their current salary may be only RM1,600 – about the same as new workers with the current minimum salary of RM1,500.

These senior workers are very disappointed that there is no wage adjustment after the implementation of the minimum wage.

Employers refuse to increase the salary of these senior workers on the grounds that the company does not have sufficient financial resources.

Companies can only implement the minimum wage because they have to comply with the minimum wage order issued by the authority.

In short, the implementation of the minimum wage has absolutely no positive impact on the senior workers who are the backbone of Malaysia’s economic growth.

This weakness must be overcome by reforming the minimum wage policy and ensuring justice for the senior workers. This would be in line with the Madani government’s goal of increasing the labour income share from 32% to 45% by 2033.

We recommend that the Madani government add a new section of “wage adjustment” to the upcoming minimum wage orders.

Whenever the minimum wage is increased, the wages of workers who are higher than the minimum wage but below the upper limit of the bottom 40% group (RM5,250) should be increased by the same rate as the minimum wage increase.

For example, the existing minimum wage of RM1,500 will be increased by RM200 or 13.3% to RM1,700 in 2025.

By implementing the wage adjustment section, workers earning between RM1,500 and RM5,250 would also be entitled to a 13.3% wage increase.

After the wage adjustment, a senior worker earning RM1,600 would receive RM1,813.

In our view, this minimum wage reform is the most ‘straightforward’ to help senior workers who

face the problem of stagnant wages. This move will provide a major relief to families below the absolute poverty line and within the category of the bottom 40%.

This proposal is also in line with one of the priority policies of the Madani framework, which is “Introducing legislation to lay the foundation for a dignified wage or wage rate that can guarantee a living wage for all.”

Union signatories:

1. National Union of Transport and Allied Equipment Workers (NUTEAIW)
2. Electronics Industry Employees Union Northern Region (EIEUNR)
3. Electronics Industry Employees Union Southern Region (EIEUSR)
4. Electronics Industry Employees Union Western Region (EIEUWR)
5. Sabah Plantation Industry Employees Union (SPIEU)
6. Sabah Timber Industry Employees Union (STIEU)
7. Sabah Hotel, Resort dan Restaurant Employees Union (SHRREU)
8. Malayan Nurses Union (MNU)
9. Penang Textile and Garment Workers’ Union (PTGWU)
10. Paper and Paper Products Manufacturing Employees’ Union (PPPMEU)
11. Printing Industry Employees Union (PIEU)
12. Union of Employees in Trade Unions (UETU)
13. National Union of Seafarers Peninsular Malaysia (NUSPM)
14. National Union of Employees in Companies Manufacturing Rubber Products (NUECMRP)
15. National Union of Telecommunication Employees (NUTE)
16. Metal Industry Employees Union (MIEU)
17. Timber Employees Union Peninsular Malaysia (TEUPM)

NGO signatory: Tenaganita

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