

SOCIAL SECURITY BENEFITS UNDER  
THE EMPLOYEES' SOCIAL SECURITY ACT, 1969

BY

KHAIRIAH HAJI SOEHOD

Submitted In Partial Fulfilment of the  
Requirements for the  
Diploma In Law  
at the  
Mara Institute of Technology

April 1984

| <u>CONTENTS</u>                                | <u>PAGE</u> |
|--|-------------|
| Preface  | i           |
| Abstract                                       | iii         |
| List of Statutes                               | vi          |
| List of Tables                                 | vii         |
|  |             |
| I. Introduction                                |             |
| A. What is Social Security?                    | 1           |
| B. Social Security in Malaysia                 | 3           |
| I) Historical Review                           | 3           |
|  |             |
| II. The Employees' Social Security Act, 1969   | 9           |
| A Coverage                                     | 10          |
| 1) Industries Covered Under the Act.           | 10          |
| 2) Employees covered Under the Act.            | 10          |
| B Schemes to Protect Workers                   | 13          |
| I) Benefits under the Employment Injury Scheme | 15          |
| a) Disablement Benefits                        | 15          |
| i) Temporary Disablement Benefits              | 15          |
| ii) Permanent Disablement Benefits             | 16          |
| B Dependants Benefit                           | 19          |
| C Constant Attendance Allowance                | 21          |
| D Funeral Benefits                             | 22          |
| E Medical Benefit                              | 22          |
| F Appliances and Rehabilitation                | 23          |

|  | <u>PAGE</u> |
|--|-------------|
| 2. Benefits under The Invalidity Pension Fund  |             |
| a) Invalidity Pension  | 24          |
| b) Invalidity Grant  | 28          |
| c) Constant Attendance Allowance   | 28          |
| III. A Special Look at the Social Security Schemes   |             |
| A Administration   | 32          |
| B Critical examination of the Schemes  | 35          |
| I) Low rate of benefits  | 35          |
| 2) The Fund  | 37          |
| 3) Benefits paid in instalment   | 44          |
| 4) No payment for pain and suffering   | 45          |
| 5) Inability to sue employer in court  | 47          |
| 6) Paying for two schemes but benefit from one only  | 50          |
| 7) Delays in setting cases   | 51          |
| 8) No autonomy   | 54          |
| IV. A comparism between workmen's Compensation<br>Ordinance, 1952 and The Employees' Social<br>Security Act, 1969. | 59          |
| V. Conclusion  | 64          |

Preface

This project paper is intended primarily to study the benefits provided under the Employees' Social Security Act, 1969 (Act) to workers who are injured during the course of their work and the qualifications required before an injured worker is eligible for any benefits thereunder. And since the body which determines the eligibility of the workers is the Social Security Organisation (SOCSO), a special look at SOCSO is also made in Chapter III. A considerable amount of material has been incorporated in this chapter especially as regards to the workers' dissatisfaction of the benefits under the Act.

Research for this project paper was conducted at several libraries namely Perpustakaan Tun Abdul Razak at Mara Institute of Technology, SOCSO Library, Johore Bahru High Court Library and Muar High Court Library.

Interviews were conducted with several persons and these helped to introduce many ideas which were not included in the articles I obtained from the libraries.

I have enjoyed preparing this project paper and would like to convey my greatest appreciation to Mr. Peguman Singh, an officer at SOCSO office for his full co-operation and assistance without whom this project paper would not be possible.

Abstract

Malaysia is a developing country. The development of the country is made through its dynamic five years plan. Industries become intensified due to this and the involvement and exposure of the workers to accidents in this field has increased to a higher degree. Thus, The Employees' Social Security Act, 1969 was enacted and enforced with the aim of producing monetary benefits to workers in cases of invalidity and employment injury. However, even though there are two scheme provided under the Act - The Employment Injury Insurance Scheme and The Invalidity Pensron Scheme with various benefits thereunder, many dissatisfactions and complaints have been raised by the workers. Their greatest dissatisfaction lies in the low rate of benefits which from their view is inadequate to meet with the inflationary need. However, this provision is unavoidable as the benefit is income-related. Another prevailing complaint is that most workers are still in favour of The Workmen's Compensation Ordinance, 1952 and are not very pleased with the decision of it being replaced with The Employees' Social Security Act 1969 mainly because the former Ordinance permits the injured workers to sue their employer and the payment is made in lump sum. A comparison between the two legislations is made with the hope that the workers would be clarified on the reasons for taking such a step and would be assured that The Employees' Social Security Act is their best reliance in the long-term.