



Wages and Working Hours

Legal Position

Working hours are regulated under [Malaysia Employment Act 1955](#) and the Employment (Limitation of Overtime Work) Regulation 1980.

Normal Working Hours¹

Normal working hours shall include the following:

- Not more than 8 hours work in one day (based on a 6-day working week) or 9 hours in one day (based on a 5-day working week);
- Not more than 10 hours in a “spread-over” period (10 consecutive hours from the time the employee commences work for the day, inclusive of any periods of rest/leisure);
- Exceptionally, if the work is of a continuous nature (shift work), it can be 8 consecutive hours with a paid period of rest not less than 45 minutes;
- Not exceeding an average of 45 hours in a week² over any period of 3 weeks; and
- Every 5 consecutive hours followed by a rest period not less than 30 minutes.

Overtime

Based on the Malaysian Employment (Limitation of Overtime Work) Regulations 1980, overtime hours are limited to **104 hours per month**.

- A permit from Department of Labour is required for any overtime above 104 hours per month, with conditions of not more than 12 hours of work per day inclusive of normal hours in a day; and
- The weekly working hours (inclusive of normal and overtime hours) should not exceed **72 hours a week**.

However, most international companies and suppliers are committed to a maximum of **60 working hours per week**, including overtime; that overtime hours are worked on a voluntary basis; and those workers have at least one day off after six consecutive workdays³.

Type of Overtime	Rate
Normal Day	1.5x hourly rate of pay
Rest Day	2x hourly rate of pay
Public Holiday	3x hourly rate of pay

*Overtime is work in excess of normal hours i.e., 7.5, 8 or 9 hours (excluding meal breaks) whichever is the company's norm. Work on rest days or public holidays is **NOT** overtime although there may be overtime on those days.

¹ International Labour Organization. n.d. Malaysia – Employment Act 1955.

<https://www.ilo.org/dyn/natlex/docs/WEBTEXT/48055/66265/E55mys01.htm#c60a>

² Attorney General's Chambers of Malaysia. ACT A1651 – Employment (Amendment) Act 2022. <https://lom.agc.gov.my/act-detail.php?type=amendment&act=A1651&lang=BI>

³ Wilmar's No Deforestation, No Peat, No Exploitation Policy https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-ndpe-policy--2019.pdf?sfvrsn=7870af13_2



Implementation Guidance

- A. Overtime distribution procedure (Annex 1)
- B. Workers' check-roll (Annex 2)

Note: Should a sub-contractor/third-party contractor be used, the management should keep a duplicate copy of the document.

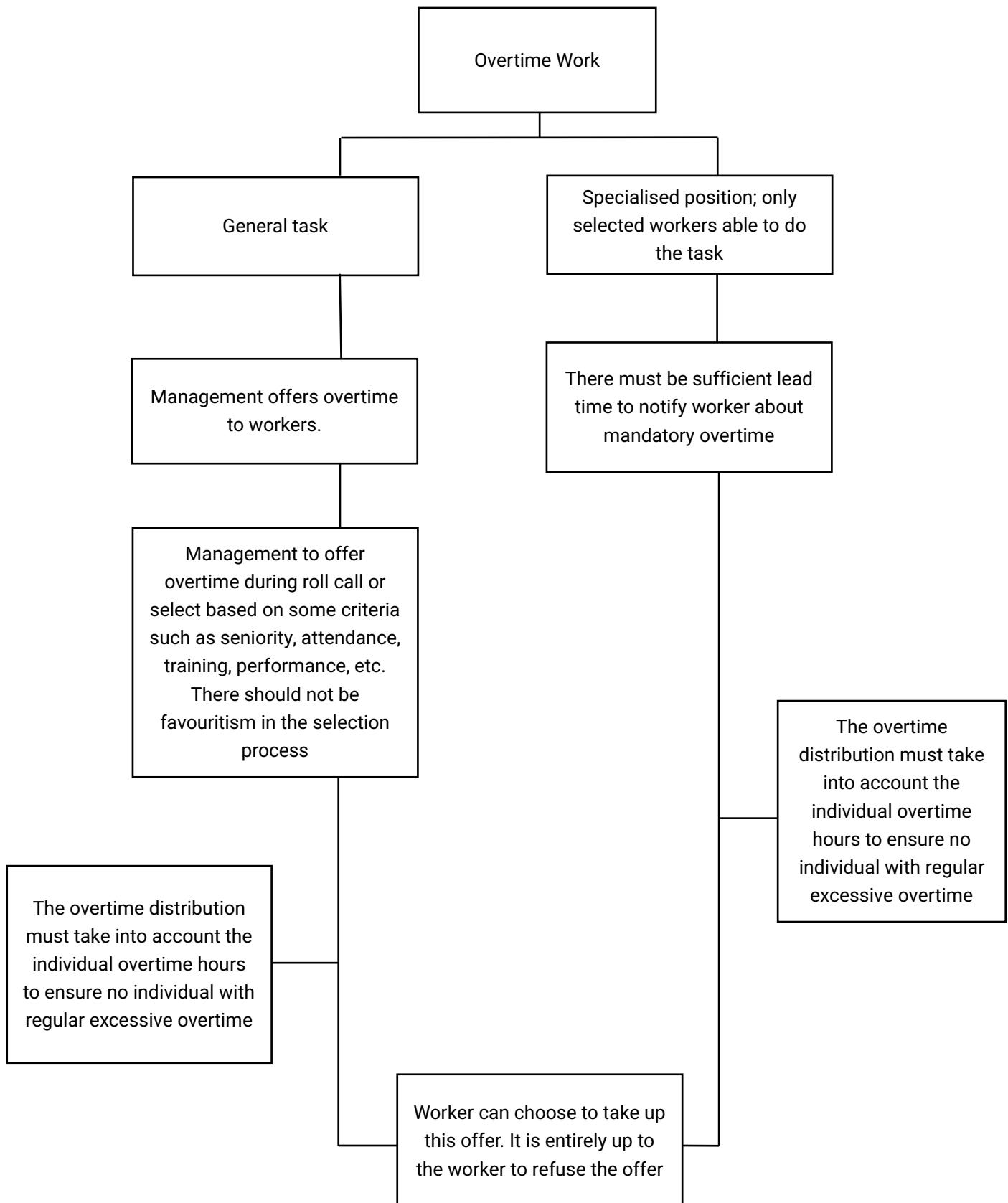
Note:

A consent letter for overtime is an additional tool (beyond the above mentioned process) to demonstrate voluntary overtime. The underlying principle is that workers are not forced to work overtime and that overtime is not a substitute to reach minimum wage.

- Management should keep track of the overall average and individual overtime hours and absences to ensure no individual is subject to regular excessive overtime.
 - Should any overtime hours in a month exceed the allowable 104 hours, permit from the labour department is required.
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Annex 1 - Overtime Distribution Procedure





Annex 2 – Worker’s Check Roll (include details of hours worked on normal days and on public holidays, overtime)

Name	Job	Days of month													Summary		
		1	2	3	4	5	29	30	31	Daily Rate	Piece Rate	Overtime Hours

Note:

- This sample is just an overview on what information to be captured on the check roll and it should be customized to suit your documentation needs.

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