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Bernama - A Budget To Fight COVID-19, Ensure Welfare Of People,
Country

Friday, Nov 06 2020



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KUALA LUMPUR, Nov 6 - In facing the unprecedented COVID-19 pandemic and economic crisis, the government today tabled Budget 2021 with the largest allocation in the nation's history to preserve the welfare of the people and country.

Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said the main goal of the budget is to improve the well-being of the people and business community and the country's economic resilience.

The government has allocated RM322.5 billion for next year, with RM236.5 billion for operating expenditure and RM69 billion for development expenditure as well as RM17 billion under the COVID-19 Fund, he said when tabling the budget in the Dewan Rakyat.

Malaysia is not alone in facing these challenges as the world has been up against this health crisis since the beginning of this year and is still fighting the pandemic as well as the worst economic crisis since the Great Depression of the 1930s.

In caring for the people, the government proposes to raise the ceiling of the COVID-19 Fund by RM20 billion to RM65 billion to finance the KITA PRIHATIN package, additional aid for the people's welfare, the needs of the frontliners and future procurement of vaccine, he said when presenting the maiden annual budget of the Perikatan Nasional government.

The government has allocated RM1 billion to stem the third wave of COVID-19 as well as a one-off payment of RM500 in appreciation of the contribution of the Health Ministry frontliners, which is expected to benefit 100,000 medical staff.

The budget provides for tax relief, income tax reduction, social protection for the B40 group and people living below the poverty line, targeted financial assistance and withdrawal from the Employees Provident Fund (EPF) Account 1 as well as hundreds of thousands of job opportunities.

All these to preserve the well-being of the people who have been affected by the pandemic that has caused some people to lose their source of income, others to suffer business losses as well as directly impacted the people's livelihood.

The tax relief is provided for medical treatment expenses covering vaccination expenses for the taxpayer, spouse and children, limited to RM1,000.

Income tax is reduced by one percentage point for those with a taxable income of RM50,001 to RM70,000, which is expected to benefit 1.4 million taxpayers.

The rate of financial assistance for persons with disabilities who are incapable of work, disabled workers, the elderly and children of poor

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families is raised, involving a sum of RM2.2 billion with an additional RM700 million and benefiting more than 400,000 people.

The Bantuan Sara Hidup (BSH) aid is replaced with the Bantuan Prihatin Rakyat (BPR) and will see RM6.5 billion benefiting 8.1 million people compared to RM5 billion benefiting 4.3 million under BSH.

On top of that, in 2021, Tengku Zafrul said, the government is providing almost RM28 billion specially for subsidies, aid and incentives, among them transport aid and welfare as well as subsidies to check the rise in the prices of goods and services.

The minimum employee EPF contribution rate is reduced from 11 per cent to nine per cent beginning January 2021 for a period of 12 months to increase take-home pay, and this will benefit EPF contributors with a potential cash flow of up to RM9.3 billion.

A much-awaited news is the announcement of the facility to withdraw EPF savings from Account 1 on a targeted basis. The amount allowed will be RM500 a month with a total of up to RM6,000 over 12 months.

"This withdrawal will assist members who have lost their jobs, and is expected to lighten the financial burden of approximately 600,000 affected contributors," said Tengku Zafrul, a banker appointed minister.

As a means of helping those people who lost their jobs due to the pandemic, registering 820,000 as of last May, the government is to make available 500,000 new job opportunities as well as various reskilling and upskilling programmes through an allocation of RM3.7 billion.

The government is taking this problem seriously, with the prime minister himself chairing the National Employment Council.

Agreement

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- Open Data Portal
- Public Sector Data Dictionary
- Portal Registrar Office Of Credit Reporting Agencies (PPK)
- < Agency
- Accountant General's Department of Malaysia (JANM)
- Bank Simpanan Nasional (BSN)
- Bursa Malaysia Berhad
- Employees Provident Fund (KWSP)
- Inland Revenue Board Of Malaysia (LHDNM)
- Labuan Financial



The 2021 budget ensures that no group is left out. The Orang Asli community, youths, women, farmers, fishermen, police retirees, imams, bilals, auxiliary fire-fighters and art activists stand to benefit from the various aid.

The question of digital connectivity is also given attention in the budget, with RM500 million to be allocated next year to implement the National Digital Network (JENDELA) initiative to ensure the connectivity of 430 schools throughout Malaysia.

The Malaysian Communications and Multimedia Commission (MCMC) will allocate RM7.4 billion for year 2021 and 2022 to build and upgrade broadband services.

The Education Ministry continued to remain the highest recipient with an allocation of RM50.4 billion while the Home Ministry gets RM17 billion and the Defence Ministry, RM16 billion.

The balance of development among regions continued to get attention with an allocation of RM780 million provisioned next year, and Sabah and Sarawak will receive RM5.1 billion and RM4.5 billion, respectively.

There was also good news for civil servants. The government announced a Special Financial Assistance of RM600 for those on Grade 56 and below whereas retirees and non-pensionable veterans will receive RM300 each, with the payments to be made early next year.

"We need to be thankful; we are still strong in all these. The strengthen of this country is because its people persevere in sacrificing to fortify the country. Therefore, for the government, the conscience of the people must be embraced, because the trust of the people is priceless," said Tengku Zafrul.

- Labuan Financial Services Authority (Labuan FSA)
- Public Private Partnership Unit
- Public Sector Home Financing Board (LPPSA)
- Retirement Fund (Incorporated) (KWAP)
- Royal Malaysian Customs Department (JKDM)
- Sabah Federal Treasury
- Sarawak Federal Treasury
- Securities Commission Malaysia
- The Central Bank of Malaysia (BNM)
- Valuation and Property Services Department Of Malaysia (JPPHM)
- Yayasan Tun Razak



Having tabled the budget, with the theme "Stand United, We Shall Prevail", the minister called for the budget to be "the canon of our unity for the welfare of the people".

-- Bernama

Contact Us

Ministry of
Finance Malaysia
No. 5 Persiaran
Perdana Presint 2,
Federal
Government
Administrative
Centre,
62592 WP
PUTRAJAYA

☐ 03-8000 8000
☐ 03-88823893 /
03-88823894



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