

Foreign Worker Employment Contract

Template for reference only. Legal advice is recommended before signing.

CONTRACT OF EMPLOYMENT (FOREIGN WORKER)

This Contract of Employment (“this Contract”) is made on the _____ day of _____ 20_____

BETWEEN

No. _____) of _____ (SSM Registration
_____ (hereinafter
referred to as “**the Employer**”) of the one part;

AND

Passport No. _____, country of origin: _____
(hereinafter referred to as “**the Worker**”) of the other part.

WHEREAS the Employer shall employ the Worker in accordance with the terms and conditions of this Contract and subject to the Employment Act 1955, the Immigration Act 1959/63, the Workers’ Minimum Standards of Housing and Amenities Act 1990 (Act 446, as amended), and all applicable laws, regulations, policies and directives of Malaysia.

IT IS HEREBY AGREED as follows:

1. Duration of Contract

The duration of this Contract shall be _____ year(s), commencing on the day of arrival of the Worker in Malaysia, until terminated in accordance with this Contract.

2. Position and Place of Work

The Worker shall be employed in the position of _____ at _____.

3. Wages

- (a) Basic monthly wage: **RM** _____ (Ringgit Malaysia _____ only), not less than the prevailing statutory minimum wage (RM1,700 as at April 2026).
- (b) Wages shall be paid by bank transfer to the Worker’s bank account not later than the seventh (7th) day of the following month.

4. Working Hours

Not exceeding eight (8) hours per day and forty-five (45) hours per week, pursuant to section 60A of the Employment Act 1955.

5. Overtime

Where the Worker, at the Employer's request, works beyond normal hours, overtime shall be paid in accordance with the Employment Act 1955: 1.5× on a normal working day, 2.0× on a rest day, 3.0× on a public holiday.

6. Rest Day

The Worker shall be entitled to not less than one (1) rest day per week.

7. Public Holidays and Annual Leave

The Worker shall be entitled to public holidays and annual leave (8/12/16 days by service band) in accordance with the Employment Act 1955.

8. Sick Leave

14/18/22 days paid sick leave by service band; plus up to 60 days hospitalisation leave per year, pursuant to section 60F of the Employment Act 1955.

9. Levy

The annual levy (Services / F&B sector: RM1,850–1,950 per year as at April 2026) shall be **borne solely by the Employer** and shall not be deducted from the Worker's wages. Imposing levy on the Worker is prohibited under the Employment (Restriction) Act 1968.

10. Medical Examination (FOMEMA)

- (a) The Worker shall undergo a FOMEMA medical examination within thirty (30) days of arrival in Malaysia, at a FOMEMA-registered health centre.
- (b) Annual FOMEMA re-examination is mandatory (effective 16 December 2023).
- (c) FOMEMA fees and related medical costs shall be borne by the _____ (state Employer or Worker – recommended: Employer).

11. Insurance

The Worker shall be insured under:

- (a) **Foreign Workers' Compensation Scheme (FWCS)** pursuant to the Workmen's Compensation Act 1952 (Act 273); and
- (b) **Skim Hospitalisasi dan Kemalangan Untuk Pekerja Asing (SKHPPA)** – Hospitalisation and Surgical Insurance Scheme for Foreign Workers.

Premiums shall be borne by the Employer.

12. Statutory Contributions

- (a) **EPF** – Employer 2% + Worker 2%, effective from 1 October 2025, pursuant to the Employees Provident Fund Act 1991 (as amended).
- (b) **SOCSO** – Employment Injury Scheme for Foreign Workers.

13. Accommodation

- (a) The Employer shall provide accommodation compliant with the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446, as amended by Act A1604 of

2019), including water, electricity, fire safety, medical access, and minimum space of 3.6 square metres per person.

- (b) A **Certificate of Accommodation (Sijil Akomodasi Pekerja)** issued by JTKSM shall be posted at the accommodation premises.
- (c) Any accommodation rental deduction shall not exceed **RM100 per month** pursuant to section 24E of Act 446.

14. PLKS Renewal

The Employer shall initiate the renewal of the Worker's Pas Lawatan Kerja Sementara (PLKS) not later than three (3) months before its expiry date. Any penalty arising from the Employer's failure to renew shall be borne by the Employer.

15. Passport

- (a) The Employer shall **not** retain the Worker's passport. The Worker shall carry the passport at all times. Retention of an employee's passport is a criminal offence under the Passports Act 1966.
- (b) The Worker shall submit the passport to the Employer only for the following limited purposes: (i) medical examination; (ii) PLKS / VPTE application or renewal; (iii) Foreign Worker Identity Card (I-Kad) application. The passport shall be returned to the Worker upon completion.

16. Air Passage and Repatriation

- (a) The first travel expenses from _____ (country of origin) to the agreed entry point in Malaysia shall be borne by the Worker.
- (b) Upon completion of this Contract, or upon termination initiated by the Employer for reasons other than the Worker's non-compliance, the repatriation cost to _____ shall be borne by the Employer.
- (c) In case of death of the Worker, the Employer shall arrange and bear the cost of repatriation of the remains pursuant to the Workmen's Compensation Act 1952.

17. Termination

- (a) Either party may terminate this Contract by giving **two (2) months' written notice** or payment of two (2) months' wages in lieu of notice.
- (b) The Employer may dismiss the Worker without notice for misconduct after due inquiry pursuant to section 14(1) of the Employment Act 1955.
- (c) If the Worker terminates early without cause, the Worker shall bear the repatriation cost.

18. Restrictions

The Worker shall not:

- (a) participate in any political activities in Malaysia;
- (b) change employer during the term of this Contract;

(c) engage in any secondary business or employment.

In the event the Worker marries a Malaysian during the term, the Government of Malaysia reserves the right to revoke the PLKS.

19. Foreign Worker Identity Card (I-Kad)

The Employer shall ensure that the Worker receives the Foreign Worker Identity Card (I-Kad) issued by the Immigration Department of Malaysia.

20. Deductions

Deductions from wages shall not exceed fifty per cent (50%) in any month, pursuant to the Employment Act 1955.

21. Extension and Amendment

This Contract may be extended or amended by mutual written agreement, subject to applicable laws.

22. Stamp Duty (Effective 2026)

This Contract shall be stamped at LHDN within thirty (30) days of execution. Stamp duty: RM10.00 original + RM10.00 duplicate. Borne by the Employer.

23. Governing Law, Interpretation, Language

- (a) This Contract is governed by and construed in accordance with the laws of Malaysia.
 - (b) This Contract shall be prepared in **four (4) original copies – two (2) in English and two (2) in the Worker's mother tongue**, all being equally authentic. In the event of conflict, the English text shall prevail.
 - (c) Time shall be of the essence of this Contract.
 - (d) This Contract shall bind the successors and assigns of the parties.
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IN WITNESS WHEREOF the parties have signed this Contract on the day and year first written above.

SIGNED by the Employer

SIGNED by the Worker

Name: _____
NRIC: _____
Address: _____
Date: _____

Name: _____
Passport No.: _____
Address: _____
Emergency contact: _____
Date: _____

WITNESS (for Employer)

WITNESS (for Worker)

Name: _____
NRIC: _____
Date: _____

Name: _____
NRIC / Passport: _____
Date: _____