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## RM2bil HRD levy to boost fresh grad salaries

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**BUKIT MERTAJAM:** Companies can now use RM2bil from the Human Resources Development (HRD) levy to increase the salary of fresh graduates through the hands-on training allowances, says Human Resources Minister Steven Sim.

"We call it the graduates' training programme, and because the allocation became available on Sept 1, we don't have a statistical analysis of the response yet.

"But from feedback, we know that employers welcome the move since it gives them more flexibility in using their HRD fund," he said after visiting the 135-year-old Hospital Bukit Mertajam (HBM).

HBM won gold for the most sustainable hospital at the Hospital Management Asia Awards 2025 recently.



**Life-saving tech:** Sim (second from right) looking at new CT scan equipment at Hospital Bukit Mertajam. — ZHAFARAN NASIB/The Star

Sim said the programme is designed to help bosses motivate newly-hired fresh graduates to undergo on-the-job training within the workplace environment.

"Fresh graduates must be hired for a minimum of a year and this

allocation is meant to be paid to them as allowances, which directly improve their starting salaries," he said.

He added that companies hiring fresh university graduates or TVET (technical and vocational

education and training) graduates can tap into the fund.

Sim stressed that the government is committed to helping employers ensure a sound and rewarding career path for their staff while at the same time, helping employers improve cashflow, build a richer human capital and create higher-paying jobs.

"When we hire someone new, daily hands-on training specific to the workplace is a necessity, so it follows that new employees deserve an allowance for tackling the learning curve," he said.

Sim first announced the RM2bil allocation in mid-August.

Companies with more than 10 employees must pay a monthly levy of 1% of the basic salaries and fixed allowances of all local employees to the HRD Corporation.

Companies with five to nine employees can opt to register and pay a reduced levy of 0.5%.