WORKFORCE
CONSULTING

9th March 2026

Dear clients,

Re: Increase in the Maximum Rental or Charges for Employer-Provided Accommodation to RM150 per Month.

Effective 1st March 2026, through the Employees' Minimum Standards of Housing, Accommodations and Amenities (Maximum Rental or Charges for Accommodation) (Amendment) Regulations 2026, the maximum rental or charges for accommodation that an employer may collect from an employee has been increased from RM100 to RM150 per month.

This amendment is enacted as part of the regulatory framework under the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446). Under this Act, an employer may recover rental or charges for accommodation through wage deductions pursuant to Section 24G. However, reference must also be made to Section 24(4) of the Employment Act 1955, which provides that certain deductions from wages, including deductions in respect of the rental for accommodation, may only be made upon the employee's written request and with the prior written approval of the Director General of Labour (JTK).

Accordingly, if the Company intends to increase the rental or charges for accommodation, or introduce such deductions where none previously existed, the Company must first obtain the employee's written consent and thereafter secure the written approval of JTK before implementing the deduction.

Please be informed that these rental or charges can only be legally applied if the employer strictly adheres to the minimum standards provided under Act 446 and possesses a valid Certificate for Accommodation.

If you have any questions, please feel free to reach out to any of our E2's consultants.

Yours sincerely,

Jassmine Joseph
Senior Consultant, E2 Workforce Consulting