REVISED EMPLOYMENT PASS SALARY POLICY

With reference to the Press Release issued by the Ministry of Home Affairs (MOHA) on 14 January 2026, the Expatriate Services Division of Immigration Department of Malaysia wishes to inform that a revised expatriate salary policy will be implemented effective 1 June 2026, following the Cabinet's approval on 17 October 2025.

One of the Key elements introduced under the new policy is the succession plan requirement, which aims to ensure the structured transfer of knowledge & expertise to local employees throughout the expatriate's employment period.

The existing expatriate salary policy, which was based on the decision of the Economic Council meeting dated 20 December 2016, has been further strengthened through a series of structured engagements with industry players and relevant stakeholders since 2022. The revised policy aligns with the objectives of the Thirteenth Malaysia Plan (RMK-13) to reduce reliance on foreign labour and to prioritise the employment of suitably qualified local talent.

Under this policy, the minimum salary thresholds for Employment Pass (EP) Categories I, II, and III have been revised, and a structured employment duration framework has been introduced. These measures aim to support sustainable economic growth while strengthening the development of local talents.

Revised Employment Pass Salary Thresholds

EP Category	Current Minimum Salary	Revised Minimum Salary (Effective 1 June 2026)	Employment Pass Duration
Category I	RM10,000 and above	RM20,000 and above	Up to 10 years
Category II	RM5,000 - RM9,999	RM10,000 - RM19,999	Up to 10 years (with succession plan)
Category III	RM3,000 - RM4,999	RM5,000 - RM9,999	Up to 5 years (with succession plan)

The 1:3 Internship Policy

Spearheaded by the Ministry of Human Resources and implemented via TalentCorp, the 1:3 Internship Policy (Dasar Latihan Amali 1:3) ensures that expatriates contribute to the local talent pipeline:

The Requirement: Employers are encouraged/proposed to provide one structured, paid internship for every approved EP.

The Benefit: Placements must be registered under the National Structured Internship Programme (MySIP). This entitles companies to double tax deductions for monthly allowances paid to students (up to RM5,000 per student per year).

Companies can submit applications and track the 3-6-0 evaluation of their interns via the TalentCorp MyNext Platform.

Residence Pass-Talent (RP-T)

For highly qualified expatriates who wish to remain in Malaysia long-term (up to 5-10 years), TalentCorp offers the Residence Pass-Talent (RP-T). To qualify for standard RP-T, applicants must earn a minimum base salary of RM15,000 per month and fulfill specific tax, degree, and tenure conditions, with further specific criteria for the "RP-T Post-10-Years" extension.

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All new and renewal Employment Pass applications submitted on or after 1 June 2026 shall comply with the revised requirements. Companies are strongly encouraged to plan in advance and align their workforce strategies accordingly.

In preparation for the full implementation of this policy, MOHA will conduct engagement and consultation sessions with relevant stakeholders, including industry players, employers, and related agencies. These sessions aim to provide clarity on policy requirements and implementation mechanisms, ensuring a smooth, transparent, and orderly transition that does not disrupt business continuity.

In line with the principles of Malaysia MADANI, the Government remains committed to ensuring that all policy enhancements are implemented in a gradual, balanced, and inclusive manner, while prioritising national interests, promoting sustainable economic growth, and fostering the long-term development of local human capital.

The Succession Plan

The succession plan is aimed at ensuring a structured and systematic transfer of knowledge and expertise from expatriates to local employees throughout the employment tenure. This initiative supports the Government’s objective to strengthen local talent development while maintaining business continuity and operational efficiency.

As part of a phased implementation approach, the requirement to submit and comply with the succession plan will only take effect from **1 January 2027** onwards. This transition period is provided to allow organisations sufficient time to prepare, plan, and align their internal workforce strategies with the new requirement.

In the meantime, companies are encouraged to take proactive steps to identify suitable local successors and establish comprehensive training and knowledge transfer frameworks in preparation for full implementation